FRANCHISE DISCLOSURE DOCUMENT

CRACKDBRANDS, LLC
A Texas limited liability company
319 Lowell Street
Andover, MA 01810
781-589-5089
dazzarello@crackdkitchen.com
crackdkitchen.com
facebook.com/crackdkitchen/
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You will operate a culinary-driven, gourmet eatery inspired by the love of breakfast, featuring freshly made breakfast items, craft sandwiches, salads, and bowls, as well as coffees and smoothies, under the name CRACK'D KITCHEN & COFFEE.

The total investment necessary to begin operation of a CRACK'D KITCHEN & COFFEE franchised business ranges from $536,500 to $1,018,633. This includes $25,000 that must be paid to the franchisor or its affiliate(s). If you are acquiring development rights under a development program, you will sign our development agreement and pay us a development fee equal to $25,000 for the first franchise and $12,500 for each additional franchise you commit to develop. For example, if you sign a development agreement for three Restaurants, you will pay us a development fee of $50,000 [$25,000 + [$12,500 x 2]]. When each franchise agreement is signed, a portion of your development fee payment will be credited against the initial franchise fee due under the franchise agreement and you will pay the balance at that time.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Daniel Azzarello at 319 Lowell Street, Andover, Massachusetts 01810, dazzarello@crackdkitchen.com or 781-589-5089.

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

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

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

Date of Issuance: July 11, 2022

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about an 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 or Exhibit D.
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?	Item 21 or Exhibit A 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 CRACK'D KITCHEN & COFFEE 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 in involved in material litigation or bankruptcy proceedings.
What's it like to be a CRACK'D KITCHEN & COFFEE franchisee?	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than 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 Exhibit F.

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 the franchisor by mediation, arbitration and/or litigation only in Massachusetts. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement of disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Massachusetts than in your own state.

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

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

To simplify the language in this disclosure document, the term "we" means Crackdbrands, LLC, the franchisor. In this disclosure document, the term "you" means the person buying the franchise, the franchisee. The franchisee may be an individual or a business entity, such as a corporation, a limited liability company, a general partnership, or a limited partnership.

In this disclosure document, the term "you" includes the franchisee, if the franchisee is a sole proprietorship. The term "Owners" refers to anyone with a beneficial ownership in the franchisee, including general and limited partners of a partnership, shareholders of a corporation, and members of a limited liability company. As described in Item 15, the franchisee's "Owners" must sign a personal guaranty and agree to be personally bound to the franchise agreement.

The Franchisor and any Parents, Predecessors, and Affiliates

We are a Texas limited liability company, formed on August 18, 2020, and we do business only under our corporate name and under the trade name and service mark "CRACK'D KITCHEN & COFFEE." We maintain our principal business address at 319 Lowell Street, Andover, Massachusetts 01810. We have no predecessor company. Our agent for service of process is identified in Exhibit H to this disclosure document. We have been offering franchises of the type described in this disclosure document since 2021. We have never operated a business of the type being franchised and do not engage in any other business activities. We have never offered franchises in any other line of business.

Our parent, CRACK'D, LLC ("CRACK'D") was formed on April 9, 2018 and shares our principal business address. CRACK'D has never offered franchises in any line of business. CRACK'D owns or has been granted a license to all of the CRACK'D KITCHEN & COFFEE intellectual property, including all trademarks, copyrights, recipes, and proprietary information, and has granted us the right to and to use the intellectual property and to franchise the operation of CRACK'D KITCHEN & COFFEE Restaurants.

Our affiliate, CRACK'D Andover LLC ("CRACK'D Andover") opened the first CRACK'D KITCHEN & COFFEE Restaurant in March 2019, which is located in Andover, Massachusetts. Our affiliate, CRACK'D Salem LLC ("CRACK'D Salem") opened the second CRACK'D KITCHEN & COFFEE Restaurant in April 2021, which is located in Salem, New Hampshire.

CRACK'D, CRACK'D Andover, and CRACK'D Salem each share our principal business address at 319 Lowell Street Andover, MA 01810.

The Franchise Offered

We franchise the operation of a restaurant featuring freshly made breakfast items, craft sandwiches, salads, and bowls, as well as coffees and smoothies, using our proprietary business format and operating "System" and "Marks," defined below. We call this our "Franchised Business." Each Restaurant typically occupies 1,700 to 2,500 commercial square feet of space and may be operated as a freestanding location or may be located in a strip center, preferably an end cap location.

Our System includes our distinctive interior and exterior design, decor, color scheme, graphics, fixtures and furnishings, proprietary recipes, procedures for preparing, packaging, and serving menu items, operations and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that we designate, all of which we may change, improve, and further develop (collectively, the "Standards").

Our Marks include our principal mark "CRACK'D KITCHEN & COFFEE" and other service marks, proprietary trademarks, our trade dress, and other indicia of origin that we designate to identify businesses operating according to the System ("Marks").

If we award you a franchise, you will sign a franchise agreement (see Exhibit C) and will develop and operate a Restaurant at a location that you select and that we have accepted as meeting our minimum site criteria.

If we approve your application to develop multiple Restaurants, you will sign our standard development agreement (see Exhibit B), under which you agree to develop a certain number of Restaurants according to a development schedule. You will sign a separate franchise agreement for each Restaurant that you develop. The franchise agreement for your first Restaurant will be our current form of franchise agreement (see Exhibit C). The franchise agreement for your second and each additional Restaurant will be the form then being offered to new franchisees, which may be materially different than our current franchise agreement, except for the initial franchise fee, which will be a fixed amount.

Competition

The market for restaurant services is well-established and highly competitive. You will compete with other restaurants and food service providers for upper and middle-income customers. There is active price competition among restaurants, as well as competition for management personnel and for attractive commercial real estate sites suitable for restaurants. You will compete with other breakfast, brunch, and lunch dine-in and take-out restaurants, quick service, and full-service restaurants, as well as other competing meal option providers. Competitors may be locally-owned or large, regional or national chains. The restaurant business is also affected by changes in consumer taste, demographics, traffic patterns, and economic conditions.

Industry-Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules, and regulations that apply to businesses generally, such as the federal and state anti-discrimination laws, federal wage and hour laws, and the Occupational Safety and Health Act also apply to restaurants. However, other laws, rules, and regulations have particular applicability to restaurants.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service, and restaurant sanitation conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain restaurants and retail food establishments to post caloric information on menus and menu boards and to make available to consumers additional written nutrition information upon request. State and local governments may have their own regulations. For example, the city of New York passed legislation requiring restaurants with at least 15 establishments to identify, with a tiny salt-shaker symbol, menu items with more than 2,300 mgs of salt.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

You will need to obtain one or more occupation-specific permits, licenses, or other authorization to operate the Restaurant. Permitting requirements and procedures vary greatly by state. We strongly recommend that you investigate law in your jurisdiction before you purchase a franchise.

ITEM 2
BUSINESS EXPERIENCE

Daniel Azzarello – Co-Founder and Owner

Mr. Azzarello co-founded Crackdbrands, LLC and has served as our Co-Founder and Owner since our

inception. Mr. Azzarello has served as Manager of CRACK'D since April 2018. Mr. Azzarello previously served as the Culinary Director for Evviva Cucina in Westford, Massachusetts from October 2015 until September 2018.

Alan Frati – Co-Founder and Owner

Mr. Frati co-founded Crackdbrands, LLC and has served as our Co-Founder and Owner since our inception. Mr. Frati has served as Manager of CRACK'D since April 2018 and as the Vice President of Operations for Red Heat Tavern in Andover, Massachusetts since March 2013.

Emma Azzarello – Director of Business Development

Ms. Azzarello has served as our Director of Business Development since our inception. Ms. Azzarello previously served as the Director of Administration/IT Systems Support at Burtons Grill & Bar/Red Heat Tavern in Andover, Massachusetts from February 2007 to March 2020.

Gary Matusiak – Vice President of Franchise Development

Mr. Matusiak has served as our Vice President of Franchise Development since our inception. Mr. Matusiak also has served as Senior Vice President of Sales for Go RN LLC since September 2021. Mr. Matusiak previously served as the Vice President of Sales for SnapMedTech in Orange County, California from August 2020 to September 2021, Vice President of Sales for Shiftpixy in Irvine, California from September 2019 to September 2020, National Accounts Manager for Presto in Redwood City, California in March 2019 and Vice President of Franchise Development for Pancheros Franchise Corporation in Coralville, Iowa from February 2010 to March 2019.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign the franchise agreement, you will pay a nonrefundable initial franchise fee. You will pay us a $25,000 initial franchise fee when you sign the franchise agreement. If you enter into a development agreement, the initial franchise fee for your second and each additional Restaurant will be $25,000.

Development Agreement

If you enter into a multi-unit development agreement, you will sign our development agreement and pay us a non-refundable development fee equal to $25,000 for the first initial franchise fee, plus $12,500 for each additional Restaurant. For example, if you sign a development agreement for three Restaurants, you will pay us a development fee of $50,000 [$25,000 + [$12,500 x 2]].

When you sign the development agreement, you also will sign a franchise agreement for the first Restaurant, and we will credit $25,000 of your development fee payment to fully satisfy the initial franchise fee due under that first franchise agreement.

As you get ready to develop additional Restaurants, you will sign our then-current form of franchise agreement. The terms of our then-current form of franchise agreement may be materially different than the terms of our current franchise agreement, but the initial franchise fee will be locked in at $25,000 per additional Restaurant. When you sign the franchise agreement, we will credit $12,500 of your development

fee payment toward partial payment of the initial franchise fee due under the franchise agreement, and you will pay us the remaining $12,500 balance at that time.

ITEM 6
OTHER FEES

Franchise Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Revenue[2]	Weekly	
Brand Development Fund Contribution	An amount we specify, not to exceed 1% of Gross Revenue	Weekly	
Local Marketing Expenditure	At least 2% of Gross Revenues	Quarterly	You must give us a quarterly report of your local advertising expenditures within 15 days following the end of each calendar quarter.
Additional Restaurant Opening Assistance	$500 per trainer per day, plus travel and lodging expenses	Before training	Payable if additional on-site opening assistance is provided by us at your request or if we deem necessary.
Additional Training; Remedial Training	Our then-current rate; currently, $300 per day per trainer, plus travel and lodging expenses	Before training	Our rate is subject to change.
Mandatory Ongoing Training and Seminars	Our then current rate, currently, $300 per day, plus travel and lodging expenses	Before training	Our rate is subject to change.
Administrative Fee	$250 per enforcement effort (i.e., written or verbal notification and follow up), and $250 per week for each week that the issue remains unresolved	On demand	We may assess an administrative fee to compensate us for our time.
Quality Assurance Audit Fee	Actual cost, estimated to be $300 per quarter	As invoiced	If we implement a quality assurance audit program, we may require you to pay the actual cost of this service.
Mystery shop program	Actual cost, estimated to be less than $150 per month	On demand	Payable if we require you to participate in a mystery shop program.

Type of Fee[1]	Amount	Due Date	Remarks
Nonsufficient Funds Fee	Our then-current rate: currently $100 per occurrence, which we may increase by up to 10% per year	As invoiced	Payable if you have insufficient funds in your bank account for us to process an electronic funds transfer. Our rate is subject to change.
Interest/Late Fee	18% per year or the maximum lawful rate, whichever is less	As invoiced	Payable only if any sums due to us are not paid promptly when due.
Transfer Fee	$1,500	With transfer application	Payable if you sign the franchise agreement as an individual and you request to transfer to a corporation or other business entity that you control.
Transfer Fee	$2,500, plus our related expenses	With transfer application	Payable if an Owner requests to transfer a non-controlling ownership interest to another party.
Transfer Fee	50% of then-current initial franchise fee	With transfer application	Payable if you request to transfer the business or transfer control in the franchisee entity to another party.
Renewal Fee	50% of the then-current initial franchise fee	Before renewal	You must notify us of your election to renew no less than 12 months and no more than 24 months before the then-current term expiration date.
Indemnification	An amount equal to the value of all losses and expenses that we incur	On demand	Payable only if we incur costs for claims arising from your franchise operations.
Audit Fee	Cost of audit	On demand	Payable only if the audit was necessary because of your failure to report to us or if the audit shows that you have underreported Gross Revenues by 2% or more.
Supplier Inspection and Testing	Reimbursement of our actual costs	As invoiced	Payable only if you request approval of a new supplier.
Technology Fee	Greater of $250 per month or $3,000 per calendar year, which limitation we may increase 10% per calendar year	Monthly or other period that we specify	For the development and use of online and communications technologies.

Type of Fee[1]	Amount	Due Date	Remarks
Intranet/Extranet System Fee	An amount we specify, not to exceed $1,000 per year	On demand	Payable if we require you to participate in an intranet or extranet system.
Insurance Premium Reimbursement	Reimbursement of insurance premium plus a reasonable administrative fee, not to exceed $500	On demand	Payable only if you fail to obtain or maintain required insurance and we obtain it on your behalf.
Relocation fee	50% of the then-current initial franchise fee	As invoiced	Payable only if you relocate the Restaurant.

Development Agreement

Type of Fee	Amount	Due Date	Remarks
Extension Fee	$3,000	Before expiration of development period	Payable only if you request an extension of a development period.
Transfer Fee	$1,500	Before transfer	Payable if you are an individual transferring to a business entity for convenience of operation, or if your Owners are transferring among themselves a minority ownership interest to one or more third parties.
Transfer Fee	$25,000 plus our related expenses	Before transfer	Payable if you are assigning your interest in the development agreement, or your Owners are transferring a controlling interest in you (if you are a business entity).
Insurance Premium Reimbursement	Reimbursement of insurance premium plus a reasonable administrative fee not to exceed $500	On demand	Payable only if you fail to obtain or maintain required insurance and we obtain it on your behalf.
Indemnification	An amount equal to the value of all losses and expenses that we incur	On demand	Payable only if we incur costs for claims arising from your developments.

Notes:

Note 1. All fees are imposed by us, are payable to us, and are non-refundable, unless otherwise noted. We do not impose or collect any other fees or payment for any third party.

Note 2. "Gross Revenue" is the total selling price of all services and products and all income of every other kind and nature related to your CRACK'D KITCHEN & COFFEE Restaurant including income related to catering operations and special events and the full value of meals provided to your employees as an incident

to their employment (except you may credit the value of any discounts against Gross Revenue during the week in which the meals are provided), whether for cash or credit and regardless of collection in the case of credit. Gross Revenue does not include (1) sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority; (2) proceeds from isolated sales of trade fixtures that are not part of the products and services you offer and that do not have any material effect on the operation of your CRACK'D KITCHEN & COFFEE Restaurant; (3) tips or gratuities paid directly by Restaurant customers to your employees or paid to you and then turned over to these employees by you in lieu of direct tips or gratuities; or (4) returns to shippers or manufacturers. Gross Revenue also do not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and stored value cards at the time purchases are made. You are responsible for the accurate reporting of gift certificate and stored value card sales and the corresponding impact on Gross Revenue.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR INITIAL ESTIMATED INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee [(1)]	$25,000	$25,000	Lump sum	When you sign the franchise agreement	Us
Initial Advertising and Promotion [(2)]	$15,000	$15,000	Lump sum	As invoiced	Supplier
Lease Security Deposit [(3)]	$8,500	$20,833	As arranged	As invoiced	Landlord
Utility Deposits	$1,200	$3,500	Lump sum	As incurred	Utility service providers
Licenses and Permits	$1,500	$9,000	As arranged	As invoiced	Government agency
Leasehold Improvements [(4)]	$247,000	$550,000	As arranged	As invoiced	Contractor(s)
Signage [(5)]	$7,800	$19,400	As arranged	As required by sign vendor	Sign Vendor
Fixtures, Furniture, and Equipment [(6)]	$145,000	$238,000	As arranged	As invoiced	Suppliers
POS/Back Office System [(7)]	$5,000	$10,000	As arranged	As invoiced	Suppliers
Computer Hardware and Software	$4,500	$8,500	As incurred	On demand	Suppliers
Digital Menus	$9,700	$11,000	As arranged	As invoiced	Supplier
Smallwares, Uniforms, and Initial Supplies	$17,000	$30,000	As arranged	As invoiced	Supplier

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Professional Services [8]	$5,500	$6,500	As arranged	As invoiced	Accountants, lawyers, etc.
Initial Inventory [9]	$9,500	$15,000	As arranged	As invoiced	Suppliers
Insurance [10]	$800	$1,400	As arranged	As invoiced	Insurance Broker
Training Expenses [11]	$3,500	$5,500	As invoiced	As incurred	Hotels, restaurants, and third parties
Additional Funds [12]	$30,000	$50,000	As incurred	As incurred	Employees, third party vendors and suppliers
TOTAL [13]	$536,500	$1,018,633			

Notes:

Note 1. The figure in the charts reflects our standard initial franchise fee. See Item 5 for more information about the initial franchise fee and development fee.

Note 2. Within the first three months of operations, you must conduct a Restaurant grand opening and initial marketing campaign that conforms to our standards. See Item 11 for more information about our initial advertising requirements.

Note 3. You must purchase or lease commercial retail space with 1,700 to 2,500 square feet. Commercial real estate costs vary greatly depending on geographic location and whether the property is a free-standing location, or strip center or mall location. Depending on various factors, rent can range anywhere from $30 to $50 or more per square foot per year. The low figure represents a security deposit and one months' rent for a location with 1,700 square feet, assuming rent at $30 per square foot. The high figure represents a security deposit plus one month's rent for a location with 2,500 square feet, assuming rent at $50 per square foot. These figures do not factor in common area maintenance charges or any other charges that may be imposed under your lease. You should consult a real estate broker in the area in which you plan to operate your Restaurant.

Note 4. Construction costs vary widely, depending upon the location, design, configuration and condition of the premises. The low figure represents the estimated cost of building out a second-generation strip center space that already has sufficient HVAC system, grease trap, floor drains, ADA-compliant restrooms, and appropriate utility service and hook-ups. The high figure represents the estimated cost of building out a "vanilla box" space and includes the cost of adding or upgrading the HVAC system, installing a grease trap and floor drains, restrooms, and utilities. The estimates included in the table above reflect a deduction for the average allowance provided by landlords for tenant improvements and other allowances. You must follow our design standards and construction process. The estimates included in the table above include design and architectural fees. You must have our approval to open. The cost of construction and leasehold improvements depends on the size, condition, and location of the Restaurant, and the local cost of labor.

Note 5. These include signage menu boards and graphics.

Note 6. These represent the estimated costs of purchasing required fixtures, furniture, and equipment and decor items for your Restaurant.

Note 7. See Item 11 for more information about our POS computer hardware and software requirement. These estimates include the cost of acquiring one POS system and the first annual maintenance and support services fee.

Note 8. You will likely need to engage an attorney, an accountant, and other consultants to assist you in setting up your business and in reviewing the franchise offering. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants, and consultants.

Note 9. These are the estimated cost of purchasing food and beverage inventory, condiments, supplies, and other miscellaneous items.

Note 10. See Item 8 for more information about insurance requirements. These amounts reflect the estimated down payment of your annual premiums, equal to one month's payment.

Note 11. See Item 11 for more information about our initial training program. The amounts in the chart represent the estimated out-of-pocket costs (including travel to and from the training site, one double-occupancy hotel room, and dining expenses) for two individuals to attend training.

Note 12. The amounts in the chart represent the additional funds, or working capital, you will likely need to operate the Restaurant before opening and during the initial three-month period. You may need these funds to pay fixed operating expenses, such as rent, employee salaries, payroll taxes, utility charges, license and permit fees, and to purchase uniforms, supplies, and collateral merchandise. The amounts in the chart do not include any allowance for debt service or for a salary for you. These amounts are estimates only, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience, and business acumen. You should review these numbers carefully with your business advisor before purchasing a CRACK'D KITCHEN & COFFEE franchise.

Note 13. All amounts are non-refundable unless otherwise noted.

If you develop multiple Restaurants under our development agreement, the initial investment for each Restaurant developed may vary, depending on rent and operating costs. If you require additional on-site assistance beyond your first Restaurant, you must pay our then-current fee and reimburse us for our expenses.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Approved Suppliers; Purchases According to Specifications

We may require you to purchase from our approved or designated suppliers or distributors all products and services necessary to construct and operate the franchised business, including: (1) fixtures, furniture, equipment, signs, items of decor, and audio/visual systems, (2) food products and ingredients, (3) all fountain and bottled beverages, (4) uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Marks), (5) advertising, point-of-purchase materials, and other printed promotional materials, (6) gift certificates and stored value cards, (7) stationery, business cards, contracts, and forms, (8) bags, packaging, and supplies bearing our Marks, (9) insurance coverage, (10) architectural services and, (11) accounting and bookkeeping services.

We also may require you to engage our designated tenant representative to assist you with site selection activities. You must purchase the POS computer hardware and software from our approved suppliers. See Item 11 for more information about computer hardware and software requirements. If a designated music provider has been identified, you must acquire music from the designated provider.

None of our officers owns an interest in any privately-held supplier or a material interest in any publicly-held supplier. Occasionally, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

If you propose to purchase from an unapproved source any items for service for which we have identified

designated or approved supplier(s), you must request our approval. We may require as a condition of granting approval that our representatives be permitted to inspect the supplier's facilities and that information, specifications, and samples, as we reasonably require, be delivered to us or to an independent, certified laboratory for testing. We may charge a fee for testing, which will be actual cost of the inspection and test. We will notify you within 30 days of your request as to whether you may purchase products from the proposed supplier. If we agree to evaluate a supplier, we will provide the supplier with our specifications and standards and our criteria for supplier approval.

If we have not identified an approved supplier or distributor for an item or service, you may purchase the item or service from a supplier of your choice, but they must meet our specifications, which may include brand requirements.

Franchised Location and Lease

You must acquire a site for your Restaurant that meets our site selection criteria and that we approve. If you occupy the Restaurant according to a commercial lease, the lease must contain terms that we specify. (See Lease Rider attached as Attachment F to the franchise agreement.)

You must purchase and install, at your expense, all millwork and customized seating, fixtures, furnishings, equipment, decor, and signs from an approved third-party supplier.

Insurance

You must provide us with a certificate of builder's risk insurance complying with the below requirements before beginning leasehold improvements. You must also provide us with a certificate of insurance complying with the below requirements no less than 10 days before opening your Franchised Business for all other policies, and at least 30 days before any renewal providing the endorsements as noted below. If you fail to maintain the required insurance, we, or our designee, may obtain the insurance for you and charge and demand reimbursement of the premium costs and costs of acquiring the insurance and an administrative fee, not to exceed $500.

You must obtain and maintain insurance that meets our minimum insurance requirements, which currently consist of the following:

- Property Insurance written on a replacement cost basis equal to 100% of value, including building interruption insurance on an actual loss sustained basis or coverage equal to one year's Gross Revenue;
- General Liability coverage for $1,000,000 per occurrence and $2,000,000 aggregate including products liability coverage, with additional insured endorsement naming Crackdbrands, LLC.
- Employment Practices Liability including third party claims for $1,000,000 and naming Crackdbrands, LLC, as Co-defendant. Limit applies per policy.
- Auto Liability for all owned, non-owned and hired vehicles used in the Franchised Business for $1,000,000 combined single limit liability and $2,000,000 aggregate, per location, and naming Crackdbrands, LLC, as additional insured.
- Umbrella Liability for $1,000,000 in excess of the General Liability, Auto Liability, and Employer's Liability naming Crackdbrands, LLC, as additional insured.
- Workers' Compensation for statutory limits including Employer's Liability of $500,000/$500,000/$500,000 and the Alternate Employer's endorsement in our favor.
- Cyber/Data Breach coverage for $1,000,000.
- Builder's Risk insurance is required while in the construction phase. We will require to be an additional insured on all liability policies from contractors and sub-contractors and General

Liability policy during the construction phase.

- All policies will include a 30-day notice of cancellation for which we will receive notification.

All insurance policies must be written by a carrier with an A.M. Best rating of at least A-VII. All insurance policies must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

These are minimum requirements only. We have the right to modify the minimum coverage amounts and types of insurance you are required to carry, at any time. You should consult with your own insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets. These are our minimum requirements. Your landlord may require more coverage or different types of coverage.

Revenue Derived from Franchisee Purchases and Leases

We and our affiliates may derive revenue from franchisee purchases and leases to the extent that franchisees purchase products or services from us, our affiliates, or our parent company. As of December 31, 2021, neither we nor our affiliates derived any revenue from franchisee purchases or leases.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that your purchases and leases from us or our designated sources will range from 80% to 90% of your total initial investment (not including the initial franchise fee or real estate costs) and approximately 60% to 70% of your ongoing purchases and leases in the operation of the Franchised Business.

Description of Purchasing Cooperatives; Purchasing Arrangements

We may negotiate purchase arrangements with primary suppliers or distributors for the benefit of franchisees. If we negotiate a purchase agreement, you must participate in the purchasing program. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

Presently, there are no purchasing or distribution cooperatives in existence for the franchise system.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 3.1, 3.2, 3.3, and 3.6	Not applicable	Items 8 and 11
b. Pre-opening purchases/leases	Sections 3.3, 3.4, 6.5, 6.6, 10.1, and 10.2	Not applicable	Items 5, 6, 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 3.3, 3.4, 3.5, 5.1, 5.2, and 5.3	Article 4	Items 1, 7, 8, and 11
d. Initial and ongoing training	Article 5	Not applicable	Items 6, 7, and 11

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
e. Opening	Sections 3.5, 5.1, and 5.2	Section 4.5	Items 7 and 11
f. Fees	Sections 2.2, 3.6, 4.1, 4.2, 4.3, 4.8, 4.9, 4.11, 5.1, 5.2, 5.5, 5.6, 6.6.4, 6.9, 6.12, 6.18, 9.3, 9.4, 9.5, 10.1, 10.7, 11.2.7, 12.2, 12.3, and 12.4	Sections 4.6, 7.2.2, 8.2, 8.3, and 8.4 and Article 3	Items 5, 6, 8, and 11
g. Compliance with standards and policies/manuals	Article 8	Not applicable	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Article 7	Not applicable	Items 11, 13, and 14
i. Restrictions on products/services offered	Sections 1.1, 6.4, 6.5, 6.6, 6.8, and 9.6	Not applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections 4.4 and 6.1	Not applicable	Item 16
k. Territorial development and sales quotas	Not applicable	Not applicable	Item 12
l. Ongoing product/service purchases	Sections 6.5, 6.6 and 8.2	Not applicable	Items 8, 11, and 16
m. Maintenance, appearance and remodeling requirements	Sections 6.7, 6.10, and 8.2	Not applicable	Item 8
n. Insurance	Sections 3.4 and 11.2	Section 7.2	Items 7 and 8
o. Advertising	Article 9	Not applicable	Items 6, 7, 8, and 11
p. Indemnification	Section 11.3	Section 7.3	Item 6
q. Owner's participation/ management/staffing	Sections 6.2 and 6.3	Not applicable	Items 1, 11, and 15
r. Records and reports	Sections 10.4, 10.5, and 10.6	Not applicable	Item 11
s. Inspections and audits	Sections 6.9 and 10.7	Not applicable	Items 6 and 11
t. Transfer	Article 12	Article 8	Items 6, 12, and 17
u. Renewal or extension of rights	Section 2.2	Section 4.6	Items 6, 12, and 17

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item
v. Post-termination obligations	Article 14 and Section 15.2	Sections 2.2 and 10.2	Item 17
w. Noncompetition covenants	Section 15.1 and 15.2	Article 10	Item 17
x. Dispute resolution	Article 19	Article 14	Item 17
y. Guaranty	Sections 12.2, 12.3, and 18.6	Sections 8.3, 8.4.7, and 13.6	Item 1 and 15

ITEM 10
FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases, or other obligations.

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

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

Before you open your Restaurant, we or our designee will:

1. Permit or decline to permit development of a Restaurant at a proposed site within 10 days of receiving all requested information. (Franchise Agreement, Section 3.2).
2. Admit up to three individuals to our initial training program, described below. (Franchise Agreement, Section 5.1).
3. With regard to the first Restaurant you develop, make available at least one individual to provide you 21 days of opening assistance. (Franchise Agreement, Section 5.2.1).
4. With regard to the first Restaurant you develop, at your request and with our approval, provide additional Restaurant opening assistance, subject to the availability of personnel, in consideration for a per diem fee and reimbursement of all travel, lodging, dining, and wages' costs for the individuals providing additional assistance. (Franchise Agreement, Section 5.2.1).
5. Provide you access to our Manuals. (Franchise Agreement, Section 8.1). The Table of Contents of our Confidential Operations Manual is attached to this disclosure document as Exhibit E. Our Confidential Operations Manual is 198 pages.
6. Provide pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures, and equipment, plans and specifications, employee recruiting, selection, and training, purchasing and inventory control, and other matters as we deem appropriate. (Franchise Agreement, Section 5.3).

During the operation of your Restaurant, we will:

1. Provide ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the operation and management of a Restaurant, advertising and marketing advice, and financial and accounting advice. (Franchise Agreement, Section 5.4).
2. Provide additional training upon your request and our approval. (Franchise Agreement, Section 5.5).

3. Communicate information about our approved suppliers to you. (Franchise Agreement, Section 6.6).

4. We will defend you against any third-party action arising out of your use of our trademarks licensed to you through the franchise agreement. If we determine you used the Marks in accordance with the franchise agreement, we will pay for the cost of defense. (Franchise Agreement, Section 7.7).

5. We will notify you of any changes to the System, Manuals, and the products and services offered by CRACK'D KITCHEN & COFFEE. (Franchise Agreement, Section 8.2).

6. We will use good faith efforts to approve or disapprove of any promotional or marketing materials you propose within 10 days after we receive them. (Franchise Agreement, Section 9.1).

7. If we establish an advertising fund, we will control the creative concepts, content, form, and media placement of all the advertising and promotional materials. (Franchise Agreement, Section 9.3.2).

8. Communicate information about our customer loyalty and reward programs, contests, sweepstakes, and other prize promotions, to you. (Franchise Agreement, Section 9.6.1 and 9.7).

9. Maintain a central web site that will identify the location of your Restaurant and provide other information to promote the CRACK'D KITCHEN & COFFEE System. (Franchise Agreement, Section 9.8).

Site Selection and Opening

When you sign the franchise agreement, we will agree on a "Site Selection Area" within which you may locate the Restaurant. We will not own the premises you lease for your Restaurant. You will lease the location from a third-party landlord. You must acquire a Restaurant site meeting our site selection criteria within 120 days after you sign the franchise agreement. For each proposed site that you identify, you must deliver to us a franchise site application in a form that we prescribe, including information about the site as we may reasonably request to perform our evaluation. We will communicate to you our decision whether or not to permit development of the Restaurant at the proposed site within 10 business days of receiving all requested information about the site. The criteria that we use to evaluate the site includes general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

You are responsible for constructing or remodeling the selected site to conform with our standards and specification, as well as local ordinances and building codes. You are responsible for obtaining all necessary licenses and permits. You must acquire fixtures, equipment, signs, inventory, and supplies in accordance with our standards and specifications. We do not directly provide, deliver, or install these items.

When the site is selected, we will mutually agree on an "Opening Date" for the Restaurant, which will be no later than a year after you sign the franchise agreement or 10 months after site selection, whichever occurs first. The Restaurant must be open for business by the Opening Date. Factors which may affect the length of time between signing the franchise agreement and opening for business include the time necessary to find a location, to negotiate a lease, to obtain required financing, to obtain permits and license, to complete construction and leasehold improvements, to complete our initial training program, and to adequately train your personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages, or similar factors. If the Restaurant is not open according by these deadlines, we can terminate the franchise agreement.

Advertising

Our advertising program for the products and services offered by CRACK'D KITCHEN & COFFEE Restaurants currently consists of direct mail advertising, coupon distribution, sponsorship to local community programs, and promotional materials at the restaurant level. Our advertising materials currently are created in-house.

We will maintain control over all promotional and marketing materials to be used in your Restaurant. You may, at your option, submit to us proposed materials, which we will review and let you know whether they are approved within 10 days of their receipt. Materials that are not approved within this 10-day period are considered not approved.

Currently, there is no advertising council composed of franchisees that advises us on advertising policies.

Grand Opening Advertising

Before the Restaurant opens for business, we will agree on a grand opening and initial marketing plan and budget. You must conduct the grand opening and initial marketing campaign according to the plan and budget.

Brand Development Fund

In addition to your initial advertising campaign, you must contribute to our Brand Development Fund ("Fund") an amount we specify not to exceed 1% of your Gross Revenue, which contribution will be collected in the same manner as the Royalty Fee.

We may use Fund monies to pay for creative development services (including creation and modification of Restaurant design and trade dress, logos, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software); preparing and procuring market studies, providing or obtaining marketing services (including, conducting customer surveys, focus groups, and marketing and compliance-related mystery shops and customer interviews); employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local Restaurant advertising and promotion in a particular area or market, or for the benefit of a particular Restaurant or Restaurants concerning restaurant opening promotion or otherwise, conducting and administering in-store promotions; preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, and other sales aids and promotional items and materials); new product development and development of product packaging; developing, updating and hosting our web site (including development of locator programs) and/or an intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, gift certificates, stored value card and loyalty card programs, and customized promotions, and the cost of product associated with the redemption of free coupons, gift certificates, stored value cards, loyalty cards and/or other customized promotions; developing and administering other customer loyalty programs; developing and administering online ordering platforms; providing and procuring public relations services; conducting public relations activities; charitable donations; membership fees in international, national, regional, and/or local trade or other associations or organizations. We also may use Fund monies to reimburse ourselves for our costs of personnel and other administrative and overhead costs associated with providing the services described in this paragraph.

We will administer the Fund. We will not use Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but we may include in all advertising prepared using Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Fund monies may be used to create and maintain one or more pages on our web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. Any amounts contributed to the Fund that are not spent in the year they are collected will remain in the Fund for use during the next year.

Although not contractually required to do so, we anticipate that each Restaurant owned by us or an affiliate of ours will contribute to the Fund on the same basis as our franchisees. Upon your reasonable request, we will provide you an annual unaudited statement of Fund contributions and expenditures. The Fund has had no contributions and no expenditures as of the date of this disclosure document.

Local Marketing

Each month, you must spend at least 2% of Gross Revenue to promote the Restaurant in your market area. You must provide us a quarterly report of your local advertising expenditures within 15 days following the end of each calendar quarter. None of the following expenditures satisfy your local advertising expenditure requirement: (1) incentive programs for your employees or agents; (2) non-media promotional costs; (3) charitable, political or other contributions or donations; (4) in-Restaurant fixtures or equipment; or (5) grand opening expenses.

Advertising Cooperative

We can designate any geographic area in which two or more company-owned or franchised CRACK'D KITCHEN & COFFEE Restaurants are located as a region for an advertising cooperative ("Cooperative"). If a Cooperative is established for an area in which any Restaurant is located, you must become a member of the Cooperative and participate in the Cooperative. Cooperative contributions will be maintained and administered under the Cooperative's governing documents, and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions. Contribution levels will be established by majority vote, with each Restaurant entitled to one vote. We anticipate that franchisor-owned Restaurants will contribute to the fund on the same basis as franchisees.

We have the sole right to form, change, dissolve, and merge Cooperatives and to create and amend any organizational and governing documents of any Cooperative. As no Cooperatives have yet been established for the franchise system, governing documents are not available for your review. Once established, we may terminate and/or dissolve the Cooperative at any time. The Cooperative will not be terminated, however, until all monies in the Cooperative have been expended for authorized purposes or returned to contributing Restaurants (whether franchised or company or affiliate-owned), without interest, on the basis determined by a majority vote of its members. Each Cooperative must prepare annual, unaudited financial statements, which will be made available to its contributing members.

Computer and Electronic Cash Register Systems

You will provide an enhanced guest experience enabled by technology to allow for high transaction volumes and to deliver unrestrained production demand. You must purchase, install, and maintain an electronic point of sale cash register system to record sales and transaction data and track inventory purchases. Currently, we have one approved POS System. To operate the POS System, you will need to connect to a high-speed communications device which is capable of accessing the Internet via a third-party network. We have the right to independently access all information and financial data recorded by the system for daily polling, audit, and sales verification. Updates or replacement of the POS System, both hardware and software, may be required. There is no contractual limitation on the frequency or cost of these obligations.

The estimated cost of installing the POS System ranges from $5,000 to $10,000.

You must sign a computer maintenance agreement and SaaS agreement with the manufacturer of the POS System and pay the annual maintenance fee which we estimate will range from $12,000 to $18,000. Your maintenance agreement must also include a network and security services agreement which covers up to $100,000 in losses due to any kind of data breach.

At our request, you must install and maintain interactive multi-media equipment, devices, and facilities that we require, including approved surveillance systems, music systems, Wi-Fi, and other wireless Internet and communications systems and interactive displays, including plasma or LCD screens. If a designated music provider has been identified, you must acquire music from the vendor.

You must (a) use any proprietary software programs, system documentation manuals, and other proprietary materials that we require concerning the operation of the Restaurant; (b) input and maintain in your computer this data and information as we prescribe; and (c) purchase new or upgraded software programs,

system documentation manuals, and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all fees imposed.

We may independently poll your Gross Revenues and other information input and compiled by your POS System from a remote location. There is no limitation on our right to access this information. Neither we, nor our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your POS System or other computer equipment. Except as described above, there are currently no optional or required maintenance/upgrade contracts for the POS System or other computer equipment.

Training

At least 30 days before your Restaurant's opening date, the person whom you designate to be your "Operations Manager" and your "Restaurant Manager" (if any), must attend and complete our initial training program to our satisfaction. Our initial training program is offered in Andover, Massachusetts. Initial training will be conducted by or under the supervision of Daniel Azzarello and Alan Frati. Mr. Azzarello and Mr. Frati each have 18 years of experience in the restaurant industry.

We provide instructors and training materials at no charge, but you must pay all training-related expenses, including travel, lodging, and dining expenses for all of your employees who attend training. The subjects covered and other information relevant to our initial training program are described below.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Phase 1 Training Schedule			
Welcome to Phase 1 *Crack'd Handbook *Orientation *Menu Class *MIT Manual *Serve Safe Book	4		Certified Training Store
Cold Prep Station - Procedures; Opening checklists; Line check; Validate recipes made; Station cleaning breakdown. Read -Serve Safe Chapter 1		16	Certified Training Store
Slicing Station, Proteins, Cheeses, Vegetables - Utilize slicing chart procedures; Opening checklists; Line check; Station cleaning breakdown. Read – Serve Safe Chapter 1 Complete & Quiz)		8	Certified Training Store

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Hot Prep Station - Validate recipes. Checklist; Line check; Station cleaning breakdown. Read-Serve Safe Chapter 2		12	Certified Training Store
Dish/Maintenance - Understanding of 3 bay sink flow. Use of chemicals in the restaurant. Check for MSDS sheets. Dish machine functions. Soil/scrape/wash/dry. Pan and utensil organization. Proper cleaning of dumpster area, back door entry and front side doors. Sidewalks and patio pressure washed weekly. Read – Serve Safe Chapter 2 (Complete & Quiz)		4	Certified Training Store
Total Phase 1	4	40	Hours Total
Phase 2 Training Schedule			
Opening Grill Station - Line checks, rotation of bread, egg quality, temperature set on grill. Closing station, setting up for the next day. Read-Serve Safe Chapter 3		10	Certified Training Store
Toast Station - Learning how to griddle each type of bread. temperature of flat top, line checks, closing of station. Read Serve Safe- Chapter 3 (Complete & Quiz)		4	Certified Training Store
Pantry Station - Setting up station, review and execute recipes. Line checks, closing of station.		12	Certified Training Store
Sauté Station - Setting up station, review and execute recipes. Line checks, closing of station.		12	Certified Training Store
Assembly - Lock in, get ready and kick some ass. Communicate with your members, DRIVE ticket times. Line checks, closing of station. Read Serve Safe Chapter 4		12	Certified Training Store

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Total Hours		50	
Welcome to Phase 3- FOH training			
Cashier - Opening duties, setting up dining room. Guest interaction, make their day better then when they came. Read- Serve Safe Chapter 5	1	8	Certified Training Store
Barista - Opening duties, setting up espresso machine, coffee brewer, pull shots of espresso. Balance flavors, close station, reset for next day. Read Serve Safe Chapter 5 Quiz & Complete	2	16	Certified Training Store
Expo - Opening station. Checking for packing products. Stickers, printer and KDS are working. Order accuracy. Read Serve Safe Chapter 6	1	16	Certified Training Store
Total Hours	10	40	
Phase 4 of Training Day 1			
Hatching the Perfect Egg - Training Method	1		Crack'd Egg-Q Quarters Andover, MA
Review production mix reports. Proper planning & building par levels.	1		Crack'd Egg-Q Quarters Andover, MA
Egg training regarding how to cook eggs, temperature of griddle, oil process.	1		Crack'd Egg-Q Quarters Andover, MA
Review of cooking protein, pork, turkey, bacon.	1		Crack'd Egg-Q Quarters Andover, MA
Daypart Review - Breakfast	1		Crack'd Egg-Q Quarters Andover, MA
Daypart Review - Lunch	1		Crack'd Egg-Q Quarters Andover, MA
Communication & Team Work	1		Crack'd Egg-Q Quarters Andover, MA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Day 1 Total	7		
Day 2			
Profit & Loss	1		Crack'd Egg-Q Quarters Andover, MA
Cost of Goods	1		Crack'd Egg-Q Quarters Andover, MA
The Crack'd Formula	1		Crack'd Egg-Q Quarters Andover, MA
Management - Dashboard	1		Crack'd Egg-Q Quarters Andover, MA
Building Relationships	1		Crack'd Egg-Q Quarters Andover, MA
Operations Review	1		Crack'd Egg-Q Quarters Andover, MA
Evaluations	1		Crack'd Egg-Q Quarters Andover, MA
Safety & Sanitation	1		Crack'd Egg-Q Quarters Andover, MA
Total Day 2	8		
Day 3			
Scheduling with R365	1		Crack'd Egg-Q Quarters Andover, MA
The Why in life	1		Crack'd Egg-Q Quarters Andover, MA
Body Language	1		Crack'd Egg-Q Quarters Andover, MA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Traits of a Leader/Performer	1		Crack'd Egg-Q Quarters Andover, MA
Recruiting/Hiring	1		Crack'd Egg-Q Quarters Andover, MA
N.E.O - New Employee Orientation	1		Crack'd Egg-Q Quarters Andover, MA
Menu Class	1		Crack'd Egg-Q Quarters Andover, MA
Retention & Turnover	1		Crack'd Egg-Q Quarters Andover, MA
Motivate the Team	1		Crack'd Egg-Q Quarters Andover, MA
Total Day 3 Hours	9		
Day 4			
Cost of Goods	1		Crack'd Egg-Q Quarters Andover, MA
Profit & Loss Review	1		Crack'd Egg-Q Quarters Andover, MA
The Formula	1		Crack'd Egg-Q Quarters Andover, MA
Jolt- How to use	2		Crack'd Egg-Q Quarters Andover, MA
Restaurant 365	2		Crack'd Egg-Q Quarters Andover, MA
NCR Review	2		Crack'd Egg-Q Quarters Andover, MA
Total Day 4 Hours	9		
Day 5			
Hospitality - Creating the Difference	1		Crack'd Egg-Q Quarters Andover, MA

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Evaluations	1		Crack'd Egg-Q Quarters Andover, MA
Safety & Sanitation	.5		Crack'd Egg-Q Quarters Andover, MA
Inspire Innovation	.5		Crack'd Egg-Q Quarters Andover, MA
Positive Energy	.5		Crack'd Egg-Q Quarters Andover, MA
Do the Right Thing	.5		Crack'd Egg-Q Quarters Andover, MA
Culture First	.5		Crack'd Egg-Q Quarters Andover, MA
Give Back	.5		Crack'd Egg-Q Quarters Andover, MA
Operational Excellence	.5		Crack'd Egg-Q Quarters Andover, MA
Keep it Simple	.5		Crack'd Egg-Q Quarters Andover, MA
Total Day 5 Hours	6		

Note. Our initial training program is subject to change, without notice, to reflect updates in the materials, methods, and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees. Instruction materials are our Operations Manuals.

At our request, your Operations Manager, Restaurant Managers, and/or other of your employees that we designate must attend additional courses, seminars, and training programs that we may reasonably require. We may charge a reasonable tuition for these additional courses, seminars, or other training programs. You are responsible for all training-related costs and expenses including salary, travel, lodging, and dining costs for all of your employees who attend training.

Confidential Operations Manuals

After you sign the franchise agreement, we will provide you access to our Manuals. A copy of the table of contents of our Confidential Operations Manual is attached as Exhibit E.

ITEM 12
TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Franchise Agreement

When the franchise agreement is signed, we will agree on a non-exclusive "Site Selection Area" within which the Restaurant will be established. It is your responsibility to select a site for the Restaurant, and we must accept the site as meeting our minimum criteria. You may relocate the Restaurant, only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of yours, or if the Restaurant premises is destroyed or materially damaged by fire, flood, or other natural catastrophe, and you are not in default of the franchise agreement or any other agreement with us.

We may develop, operate, and offer other similar concepts that may compete with franchisees. We reserve to ourselves all other rights, including the right to own and operate and to grant others the right to own and operate a CRACK'D KITCHEN & COFFEE Restaurant, regardless of their proximity to the Franchised Business wherever located. We also have the right to distribute products and services identified by the Marks, such as pre-packaged products, through alternative channels of distribution including grocery stores, supermarkets, convenience stores, restaurants, and via mail order, catalog sales, and/or the Internet. We are not required to compensate you if we exercise any of the rights specified above inside your Protected Area.

There are no circumstances that permit us to modify your territorial rights under the franchise agreement. Unless we grant you development rights under a development agreement, we do not grant you any options or rights of first refusal to acquire additional franchises.

Development Agreement

Under the development agreement, we grant you the right to develop and operate a specified number of CRACK'D KITCHEN & COFFEE Restaurants at sites in a specified Development Area. The Development Area will be identified on Attachment B to the development agreement and may be described in terms of cities, counties, states, or some other designation.

During the term of the development agreement, we will not own or operate, or grant anyone else the right to operate, a CRACK'D KITCHEN & COFFEE Restaurant within the Development Area, except in Captive Markets, but we may develop, operate, and offer other similar concepts that may compete with developers in the Development Area. A Captive Market is any facility that serves a captive market, such as a department store, supermarket, shopping mall (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), amusement park, airport, train station, travel plaza, casino, nightclub, restaurant, public facility, college, or school campus, sports, or entertainment stadium or arena, hospital, office building, convention center, airline (in-flight services), military base, or any other mass gathering event or location. A Captive Market also is any facility for which food and/or beverage service rights are contracted to a third party or parties (including designated roadways and adjacent facilities).

We reserve to ourselves all other rights, including the right to own and operate and to grant others the right to own and operate a CRACK'D KITCHEN & COFFEE Restaurant outside the Development Area, regardless of their proximity to the Development Area, and in "Captive Markets" located within and outside the Development Area. We also have the right to distribute products and services identified by the Marks, such as pre-packaged products, through alternative channels of distribution including grocery stores, supermarkets, convenience stores, restaurants, and via mail order, catalog sales, and/or the Internet, and to make deliveries or permit other franchisees to make deliveries to residents within your Development Area. We are not required to compensate you if we exercise any of the rights specified above inside your Development Area.

If you fail to meet any of your obligations under the development agreement, including the development obligations, we may (1) terminate or modify any territorial protections granted to you, (2) reduce the size of the Development Area, or (3) reduce the number of Restaurants which you may establish under the Development Schedule. There are no other circumstances that permit us to modify your territorial rights under the development agreement. After the expiration of the term of your development agreement, we may

own, operate, franchise, or license others to operate additional CRACK'D KITCHEN & COFFEE Restaurants anywhere, without restriction, including in your Development Area.

ITEM 13
TRADEMARKS

Crack'd, LLC ("Crack'd") owns the following Marks that are registered on the Principal Register of the United States Patent and Trademark Office, and all required affidavits and renewals have been filed.

Mark	Registration Number	Registration Date	International Class
	6153422	September 15, 2020	43
CRACK'D KITCHEN & COFFEE (Standard Character Mark)	6760698	June 14, 2022	43

Crack'd has granted us a perpetual license to use the Marks and to sublicense their use in connection with the franchising of CRACK'D KITCHEN & COFFEE Restaurants and the operation of company-owned Restaurants. Crack'd may terminate this agreement on account of our material breach, in which case Crack'd has an option to assume all franchise related agreements to which we are a party. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

There is no presently effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to their ownership, use, or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks. Except for the license agreement with Crack'd, we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "℠", as appropriate. You may use the Marks only for the operation and promotion of the Franchised Business and only in the manner we prescribe. You may not contest ownership or validity of the Marks or any registration of the Marks or our right to use or to sublicense the use of the Marks. You must sign all documents that we require in order to protect the Marks and to maintain their validity and enforceability.

You may not use the Marks or any part of the Marks in your corporate name, and you may not use them to incur any obligation or indebtedness on our behalf.

You may not use the Marks or any part or derivative of the Mark on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking web site (such as FACEBOOK, INSTAGRAM, or TWITTER), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works (defined below in Item 14), or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against uses by others that may constitute infringement of the Marks or Copyrighted Works. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks or Copyrighted Works. If we determine that you have used the Marks and

Copyrighted Works properly, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you were using the Marks or Copyrighted Works improperly, you must pay the cost of the defense, including the cost of any judgment or settlement. In regard to any litigation under your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to any legal action. Unless the action is the result of your use of the Marks or Copyrighted Marks in a manner inconsistent with the terms of the franchise agreement, we will reimburse you for your out-of-pocket litigation costs in doing these acts.

We have the right to designate new, modified and/or replacement Marks for your use and to require you to use the new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or registered copyrights that are material to the franchise, and there are no pending patent applications. We do claim copyright protection and proprietary rights in the original materials used in the System, including our recipes and procedures, menus, manuals, bulletins, correspondence and communications with our franchisees, training, advertising, and promotional materials, the content and designed of our web site, and other written materials under the operation of CRACK'D KITCHEN & COFFEE Restaurants and the System ("Copyrighted Works").

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the franchise agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our copyrighted works on the Internet without our written permission. This includes display of the copyrighted works on commercial websites, gaming websites, and social networking web sites (such as FACEBOOK, INSTAGRAM, or TWITTER).

You and your employees must maintain the confidentiality of all information contained in the Manual and other information that we consider confidential, proprietary or trade secret information. "Confidential Information" means all trade secrets, the Standards, and other elements of the System; all customer information; all information contained in the Manuals; our proprietary recipes and standards and specifications for product preparation, packaging and service; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the franchise agreement, and all other information that we designate.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Restaurant must be supervised on-premises by an individual you designate as your "Operations Manager." If you are an individual, you will be the Operations Manager. If the franchisee is a business entity, your Operations Manager must hold at least a 10% ownership interest in the entity. This interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent.

Unless a Restaurant Manager is appointed, as discussed below, your Operations Manager must devote his or her full time and best efforts to supervising operations and may not engage in any other business. He or

she must satisfy our training requirements and our other standards and must successfully complete our initial training program and must devote his or her full-time efforts to the management and operation of the Franchised Business.

You may, at your option and subject to our written consent, designate a Restaurant Manager to supervise Restaurant operations. However, your Operations Manager remains ultimately responsible for the Restaurant Manager's performance. The Restaurant Manager must devote his or her full time and best efforts to the supervision of your operations under the franchise agreement.

You must notify us promptly if your Operations Manager or Restaurant Manager cannot continue to serve or no longer qualifies for his or her position. You will have 30 days from the date of the notice (or from any date that we independently determine the Operations Manager or Restaurant Manager no longer meets our standards) to take corrective action. During that 30-day period, you must provide for interim management of your operations in compliance with the franchise agreement.

If the franchisee is a business entity, each Owner and your Operations Manager must sign a Guaranty and Personal Undertaking substantially in the form attached as Attachment D-1 to the franchise agreement and Attachment D to the development agreement. Any individual who attends our initial training program must sign a confidentiality and non-compete agreement substantially in the form attached as Attachment D-2 to the franchise agreement. You must have your Restaurant Manager and any other personnel whom we request who will have access to our training, sign covenants not to compete and agree to maintain the confidentiality of information they have access to through their relationship with you, in the form attached as Attachment D-2.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all menu items that we require and may offer and sell only those menu items that we have approved. We may add, eliminate, or modify authorized goods and services, and we may modify standards and procedures, all in our sole discretion. We may also add, eliminate, or modify the use of pre-approved vendors and manufacturers providing goods and services. There are no contractual limitations on our rights to make these changes.

Menu items and other food and beverage products may be prepared only by properly trained personnel strictly according to our recipes, cooking techniques, and processes. We always have the right to approve or disapprove in advance all products and services that your Restaurant sells. We have the right to add or modify authorized items and services that you must offer, and we may withdraw our approval of previously authorized items and services. There are no limits on our rights to make these changes.

You may not cobrand with another concept, offer, utilize, or provide catering services (such as from a cart, kiosk, food truck, or other mobile unit) or third-party delivery services (such as UberEATS, DoorDash, Postmates, GrubHub, or other third parties offering delivery) without our prior written consent. You may not ship CRACK'D KITCHEN & COFFEE products, regardless of the destination without our prior written consent, nor distribute CRACK'D KITCHEN & COFFEE products through wholesale channels, such as supermarkets, convenience stores, or other retailers, or through food service providers such as Restaurants or airlines through in-flight services.

We have the right to establish maximum, minimum, or other retail pricing requirements to the extent permitted by law.

You may not permit in the Restaurant any vending, gaming machines, payphones, automatic teller machines, Internet kiosks, or other mechanical or electrical devices, except for those we require or approve.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the franchise agreement and development agreement attached to this disclosure document.

Franchise Agreement

Provisions	Section in Franchise Agreement	Summary
a. Length of the franchise term	Sections 2.1	The earlier of 10 years after your Restaurant opens for business, or 11 years after the effective date of your franchise agreement.
b. Renewal or extension of the term	Section 2.2	If you are in good standing, you can renew for two additional consecutive five-year terms.
c. Requirements for franchisee to renew or extend	Section 2.2	You must meet all required conditions to renew, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other requirements include giving us notice of your intent to renew, compliance with your franchise obligations during the franchise term and at the time of renewal, satisfaction of monetary obligations, having the right to remain in possession of the Restaurant premises and providing us a copy of your lease, renovation of the Restaurant to meet our then-current image requirements, compliance with our then-current training and qualification requirements, payment of the renewal fee, and signing a general release.
d. Termination by franchisee	No provision	Not applicable.
e. Termination by franchisor without cause	No provision	Not applicable.
f. Termination by franchisor with cause	Sections 13.1, 13.2, 13.3, 13.4, 13.5, and 13.6	We can terminate the franchise agreement for cause, or on account of the for-cause termination of any other agreement between you and us.

Provisions	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Sections 13.3, 13.4, 13.5, and 13.6	You have 10 days to cure (1) non-payment of fees, (2) your violation of the use and protection of Marks and Copyrighted Works, (3) violations concerning the preparation, service, appearance or quality of products, and (4) failure to obtain or maintain required insurance. You have 30 days to cure non-compliance with laws and defaults not listed in subsection (h), below.
h. "Cause" defined – non-curable defaults	Sections 13.1 and 13.2	We can terminate without opportunity to cure upon the happening of certain bankruptcy or insolvency events, your conviction of certain crimes, knowingly maintaining false books or records, understating amounts owed to us by 2% or more twice in a two year period, failure to successfully complete training, failure to open the Restaurant by the required opening date or within 10 months after signing the franchise agreement, abandonment of the Restaurant, failure to maintain the right to operate the Restaurant, violation of confidentiality and non-competition covenants, failure to comply with regard to Crisis Management Events, offering unauthorized products or services, purchase from unapproved suppliers, repeated curable defaults (whether or not cured), continued operation would be an imminent threat to health and safety, an attempted transfer in violation of the franchise agreement, you or an Owner makes a material misrepresentation in relation to your franchise application, or you fail to pass two quality inspections in a 12-month period.
i. Franchisee's obligations on termination/ nonrenewal	Article 14	You must cease use of our trademarks, de-identify the Restaurant premises, pay all amounts due to us, and return the Manuals to us. We may, at our option, assume all telephone numbers for the Restaurant. We may, at our option, assume your lease and purchase certain Restaurant assets. You must, at our option, cancel or assign to us your rights to any Internet websites or web pages or e-mail addresses which contain our Marks. See also "r" below.
j. Assignment of contract by franchisor	Section 12.1	No restriction on our right to assign.

Provisions	Section in Franchise Agreement	Summary
k. "Transfer" by franchisee – defined	Section 12.2, 12.3, and 12.4	Includes transfer of the agreement or change in ownership of the franchisee entity.
l. Franchisor approval of transfer by franchisee	Sections 12.2, 12.3, and 12.4	Transfers require our prior written consent, which will not be unreasonably withheld. However, transfers that do not result in a change of control of you may, subject to certain conditions described in the franchise agreement, be completed without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 12.2, 12.3, and 12.4	You must be in compliance with franchise agreement and all other agreements. New franchisee: must qualify, complete training, sign a new franchise agreement in our then-current form, and refurbish the Restaurant, as needed; sign a guaranty and a general release; pay the transfer fee, and if applicable our resale program fee; and all monetary obligations to us must be satisfied. Additional requirements apply to business entities. (See also "r" below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.8	We can match any offer for your business.
o. Franchisor's option to purchase your business	Section 14.4	We have the option to purchase some or all of your equipment, furnishings and fixtures on expiration or termination of your franchise agreement.
p. Death or disability or franchisee	Section 12.9	Same requirements as for transfer in "m" above, except there is no transfer fee and we do not have right of first refusal. If your interest is not transferred within six months following your (or a major member, partner or shareholder's) death or legal incapacity, your franchise agreement may be terminated.

Provisions	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 15.1	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with a coffee bar or restaurant focused on breakfast and lunch service or menu items within the U.S., its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; no diversion of any present or prospective customer of ours to a competitor; no solicitation of ours or any of our Affiliate's management employees; no diversion of any present or prospective customer of ours to a competitor; no solicitation of ours or any of our Affiliate's management employees.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.2	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any coffee bar or restaurant focused on breakfast and lunch service or menu items, other than the one authorized in the franchise agreement, at your former Restaurant location or within a 25-mile radius of your former Restaurant or within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant for two years following expiration, termination or transfer.
s. Modification of the agreement	Sections 18.1 and 18.2	Must be in writing and signed by all parties
t. Integration/merger clause	Sections 18.1 and 18.2	Only the terms of the franchise agreement are binding. However, nothing in the franchise agreement is intended to disclaim or require you to waive reliance on any representation made in this franchise disclosure document.

Provisions	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 19.2 and 19.3	Claims, controversies, or disputes from or relating to the franchise agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information. If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration.
v. Choice of forum	Sections 19.2, 19.3, and 19.4	Mediation and arbitration at the AAA offices located in the city where our principal business office is located at the time mediation and/or arbitration occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office.
w. Choice of law	Section 19.1	Texas law applies without giving effect to any conflict of laws principles.

Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the term	Section 2.1	The period beginning on the effective date and ending on the earlier of: (i) the date on which you have completed your development obligations, or (ii) 12:00 midnight CST on the last day specified in the development schedule.
b. Renewal or extension of the term	Section 4.6	Developer may request to extend the term of a development period. Developer may not request more than three extensions.
c. Requirements for Developer to renew or extend	No provision	Not applicable
d. Termination by Developer	No provision	Not applicable
e. Termination by the franchisor without cause	No provision	Not applicable

Provision	Section in Development Agreement	Summary
f. Termination by the franchisor with "cause"	Sections 9.1, 9.2., 9.3, 9.4, 9.5, and 9.6	We can terminate the franchise agreement for cause, or on account of the for-cause termination of any other agreement between you and us.
g. "Cause" defined - curable defaults	Sections 9.3, 9.4, 9.5, and 9.6	You have 10 days to cure a failure to pay fees or to obtain and maintain required insurance and 30 days to cure any other default not listed in sub-section (h), and in the case of a breach or default in the performance of your obligations under any franchise agreement or other agreement between you and us.
h. "Cause" defined – non-curable defaults	Sections 9.1 and 9.2	We can terminate without opportunity to cure upon the happening of certain bankruptcy or insolvency events, your failure to meet the development schedule, your conviction of a felony, an attempted transfer in violation of the development agreement, violation of confidentiality and non-competition covenants, your material misrepresentation in connection with the development application, and repeated curable defaults, whether or not cured.
i. Developer's obligation on termination/non-renewal	Sections 2.2 and 10.2	You will have no right to develop or operate additional Restaurants which are not, at the time of termination, the subject of a then existing franchise agreement between you and us. You may continue to own and operate all Restaurants under then existing franchise agreements.
j. Assignment of contract by franchisor	Section 8.1	No restrictions on our right to assign.
k. "Transfer" by Developer – defined	Section 8.2, 8.3, 8.4 and 8.5	Includes transfer of the agreement, changes in ownership of the entity which is a party to the agreement and transfers of assets.
l. Franchisor approval of transfer by Developer	Section 8.2, 8.3, 8.4 and 8.5	Transfers require our prior written consent, which may not be unreasonably withheld. However, transfers that do not result in a change of control may, subject to certain conditions described in the development agreement, be completed without our prior written consent.

Provision	Section in Development Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 8.4	You may not transfer any franchise agreement signed under the development agreement or transfer the development agreement, except with our written consent. The new developer: must qualify, complete training for each then-existing Restaurant, sign a guaranty and a general release, pay the transfer fee, and all monetary obligations to us must be satisfied. Additional requirements apply to business entities. (See also "r" below).
n. Franchisor's right of first refusal to acquire Developer's business	Section 8.9	We may match any offer to purchase your business.
o. Franchisor's option to purchase Developer's business	Section 8.9	We may match any offer to purchase your business.
p. Death or disability of Developer	Section 8.10	Same requirements as for a transfer in "m" above, except there is no transfer fee and we do not have the right of first refusal. If your interest is not transferred within six months following your (or an Owner's) death or legal incapacity, your development agreement may be terminated.
q. Non-competition covenants during the term of the Agreement	Section 10.1	Neither you nor your Owner may have any involvement with a coffee bar or restaurant focused on breakfast and lunch service or menu items that is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks; no diversion of any present or prospective customer of ours to a competitor; no solicitation of ours or any of our Affiliate's management employees.
r. Non-competition covenants after the Agreement is terminated or expires	Section 10.2	Neither you nor your Owners may own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in any coffee bar or restaurant that

Provision	Section in Development Agreement	Summary
		focuses on breakfast or lunch service or menu items within the former development area, within 25 miles of the perimeter of the former development area, or within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant for two years following expiration, termination or transfer.
s. Modification of the development agreement	Sections 13.1 and 13.2	Must be in writing and signed by all parties
t. Integration/merger clause	Section 13.1 and 13.2	Only the terms of the development agreement are binding. However, nothing in the development agreement is intended to disclaim or require you to waive reliance on any representation made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Section 14.2 and 14.3	Claims, controversies, or disputes from or relating to the Development Agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information. If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration.
v. Choice of forum	Sections 14.2, 14.3, and 14.4	Mediation and arbitration at the AAA offices located in the city where our principal business office is located at the time mediation and/or arbitration occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office.
w. Choice of law	Section 14.1	Texas law applies without giving effect to any conflict of laws principles.

ITEM 18
PUBLIC FIGURES

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

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

As of December 31, 2021, there were two affiliate-owned Restaurants. Of these two affiliate-owned Restaurants, one Restaurant, located in Andover, Massachusetts, operated for the full 2021 calendar year. One affiliate-owned Restaurant, located in Salem, New Hampshire, opened in 2021. This Restaurant did not operate for the full 2021 calendar year and is, therefore, not included in our financial representation.

The following table reflects the weekly gross sales information for CRACK'D Andover, LLC's (our affiliate) CRACK'D KITCHEN & COFFEE restaurant located in Andover, Massachusetts.

Weekly Gross Sales for Andover, Massachusetts	
	Gross Sales[1]
Average Weekly Gross Sales	$48,023
Highest Weekly Gross Sales	$64,146
Lowest Weekly Gross Sales	$30,176
Number of Weeks that Met or Exceeded the Average	41
Median Weekly Gross Sales	$54,885.97
Number of Weeks that Met or Exceeded the Median	11

Note 1. "Gross Sales" means total revenue derived from the sale of goods and services less sales tax, discounts, allowances, and returns.

This information relates only to sales; you can draw no inferences with respect to the Restaurant's profitability.

Some restaurants have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Except for the information reflected above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 Daniel Azzarello, 319 Lowell Street, Andover, Massachusetts 01810, 781-589-5089, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2019 TO 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at End of Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	0	1	+1
	2020	1	1	0
	2021	1	2	+1
Total Outlets	2019	0	1	+1
	2020	1	1	0
	2021	1	2	+1

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2019 TO 2021

State	Year	Number of Transfers
Total	2019	0
	2020	0
	2021	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2019 TO 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Totals	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2019 TO 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Massachusetts	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
New Hampshire	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
Totals	2019	0	1	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	1	0	0	0	2

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2021

State	Franchise Agreements Signed But Outlets Not Open	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-owned Outlets in Next Fiscal Year
Florida	1	1	0
Massachusetts	0	0	1
Totals	1	1	1

Attached to this disclosure document as Exhibit D is a list of our current franchisees and a list of our former franchisees, if any. No franchisee has had an outlet terminated, cancelled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the franchise disclosure document issuance date.

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

No franchisees have signed confidentiality agreements during the last three years. Currently, there are no trademark specific franchisee associations.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit A, are our audited financial statements as of December 31, 2021 and our unaudited balance sheet and profit and loss statement as of April 17, 2022.

Our fiscal year ends December 31. We have not been in business for three years or more and, therefore, cannot include all the financial statements required by this Item.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts:

- Attached as Exhibit B is our current form of Development Agreement with all Attachments
- Attached as Exhibit C is our current form of Franchise Agreement with all Attachments
- Attached as Exhibit G is a copy of sample general release language

ITEM 23
RECEIPTS

Attached as Exhibit J are detachable duplicate Receipts. Please sign and date both copies of the Receipt. Keep one signed copy of the Receipt for your file and return to us the other signed copy of the Receipt. The Receipt contains the names of our franchise sellers or brokers.

STATE-SPECIFIC DISCLOSURES

FOR THE STATE OF CALIFORNIA

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

Item 3 is supplemented by the following:

Neither we, nor any person or franchise broker disclosed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 5 is supplemented by the following:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Item 17 is supplemented by the following:

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

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

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

The franchise agreement requires binding arbitration. The arbitration will occur in the city where the franchisor's principal place of business is located at the time of the arbitration, currently Andover, Massachusetts. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the law of Texas. This provision may not be enforceable under California law.

The Franchise Agreement and Development Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-

poach/non-solicitation provision) in section 15.1 of the Franchise Agreement that is disclosed in Item 17, row q.

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

FOR THE STATE OF ILLINOIS

Item 17 is supplemented by the following:

Illinois law governs the Franchise Agreement and Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

FOR THE STATE OF MARYLAND

Item 17 of the Disclosure Document is supplemented by the following:

(a) Any release or waiver provision contained in the Franchise Agreement or any release required as a condition of the sale, renewal, and/or assignment/transfer of the franchise shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law").

(b) Any claims arising under the Maryland Franchise Law must be brought within three years after the grant of the franchise;

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

(d) The Franchise Agreement requires application of the laws of Texas although claims arising under the Maryland Franchise and Disclosure Law shall be governed by such law.

(e) Subject to your arbitration obligations, any provision in the Franchise Agreement requiring litigation in a forum outside the State of Maryland will not limit any rights you may have under the Maryland Franchise Law to bring suit in the State of Maryland.

FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the franchise disclosure document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F, OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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 to 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 or 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 language replaces the "Summary" section of Item 17(d), titled "Termination by Franchisee."

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

4. 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.

FOR THE STATE OF NORTH DAKOTA

1. The Securities Commissioner for the State of North Dakota has determined that the following types of provisions are deemed to be contrary to North Dakota law:

(a) A provision requiring a North Dakota franchisee to sign a general release upon renewal of the Franchise Agreement;

(b) A provision requiring a North Dakota franchisee to consent to termination penalties or liquidated damages;

(c) A provision requiring a North Dakota franchisee to consent to the jurisdiction of courts outside the state of North Dakota;

(d) A provision restricting the time in which a North Dakota franchisee may make a claim to less than the applicable North Dakota statute of limitations;

(e) A provision calling for the waiver by a North Dakota franchisee of the right to trial by jury;

(f) A provision requiring a North Dakota franchisee to consent to a waiver of exemplary and punitive damages.

Any and all provisions in the Franchise Agreement that are in violation of Paragraphs 1 (a-f) are deleted.

2. North Dakota Century Code Section 9-08-06 subjects covenants not to compete to the provisions of that statute. The covenants not to compete contained within the Franchise Agreement are subject to Section 9-08-06 and may be unenforceable under North Dakota law.

3. The site of any mediation or arbitration of the parties' disputes shall be at a site mutually agreeable to all parties. If all parties cannot agree upon a location, the arbitration or mediation shall be Fargo, North Dakota.

FOR THE COMMONWEALTH OF VIRGINIA

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17.h. of the disclosure document is supplemented by the following:

> "Under 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 ground 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."

EXHIBIT A

CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Crack'dBrands LLC

Financial Statements

As of December 26, 2021 and for the year then ended

Crack'dBrands LLC

Financial Statements

As of December 26, 2021 and for the year then ended

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CERTIFIED PUBLIC ACCOUNTANTS

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www.agllp-cpa.com

Independent Auditor's Report

To the Member
Crack'dBrands LLC
Austin, Texas

Report on the Financial Statement

Opinion

We have audited the financial statements of Crack'dBrands LLC (the "Company"), which comprise the balance sheet as of December 26, 2021, and the related statements of operations, changes in member's deficit, and cash flows for the year then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of December 26, 2021, and the results of its operations and its cash flows for the year 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 (GAAS). 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 Crack'dBrands 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 Crack'dBrands LLC's ability to continue as a going concern within one year from the date the financial statements are 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Crack'dBrands 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 Crack'dBrands 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.

A+G LLP

Dallas, Texas
April 30, 2022

Balance Sheet

As of December 26,		2021
Assets		
Current assets:		
Due from affiliate	**$**	**2,650**
Total current assets		**2,650**
Total assets	**$**	**2,650**
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable and accrued expenses	**$**	**9,386**
Due to parent		**18,619**
Total current liabilities		**28,005**
Member's deficit		**(25,355)**
Total liabilities and member's deficit	**$**	**2,650**

Statement of Operations

For the year ended December 26,		**2021**
Revenues:	**$**	**-**
General and administrative expenses:		
Professional fees		**12,159**
Other general and administrative expenses		**196**
Total general and administrative expenses		**12,355**
Net loss	**$**	**(12,355)**

Statement of Changes in Member's Deficit

Balance at December 27, 2020	**$**	**(13,000)**
Net loss		**(12,355)**
Balance at December 26, 2021	**$**	**(25,355)**

Statement of Cash Flows

For the year ended December 26,		2021
Operating Activities		
Net loss	**$**	**(12,355)**
Changes in operating assets and liabilities:		
Due from affiliate		**(2,650)**
Accounts payable and accrued expenses		**(614)**
Due to parent		**15,619**
Net cash used by operating activities		**-**
Investing Activities		
Net cash used by investing activities		**-**
Financing Activities		
Net cash used by financing activities		**-**
Net increase in cash and cash equivalents		**-**
Cash and cash equivalents, beginning of period		**-**
Cash and cash equivalents, end of period	**$**	**-**

NOTES TO FINANCIAL STATEMENTS
December 26, 2021

1. Organization and Operations

Description of Business
Crack'dBrands LLC, a Texas limited liability company, was formed on August 18, 2020 ("Inception") and is located in Andover, Massachusetts. References in these financial statement footnotes to "Company", "we", "us" and "our" refer to the business of Crack'dBrands LLC. The Company is a wholly-owned subsidiary of CRACK'D, LLC ("CRACK'D" or "Parent")

The Company is in the business of granting franchises for the establishment and operation of a restaurant featuring freshly made breakfast items, craft sandwiches, salads and bowls, as well as coffees and smoothies, using our proprietary business format and operating systems and propriety trademarks ("Franchised Business"). These Franchised Businesses will operate under the tradename and service mark "CRACK'D KITCHEN & COFFEE".

Eggboys, LLC ("Eggboys"), an affiliate of the Company, owns all of the CRACK'D KITCHEN & COFFEE intellectual property, including all trademarks, copyrights, recipes, and proprietary information. Eggboys has licensed the trademarks and other intellectual property to the Company under a perpetual license agreement (the "License"). The License grants the Company the right to use these trademarks and other intellectual property to sublicense them to franchisees of the Company.

During the year ended December 26, 2021, 0 franchised outlets were opened and 0 franchised outlets closed. As of December 26, 2021, 0 franchised outlets were in operation.

Going Concern
The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is in the start-up phase of its business plan and has sustained losses from operations for the period from inception through December 26, 2021 and is projecting continued losses from operations and net cash outflows from operating activities for the year ending December 25, 2022 and is dependent on additional funding from its Parent. These factors raise substantial doubt about the Company's ability to continue as a going concern.

CRACK'D has committed to providing the necessary funding to ensure the Company has sufficient liquidity to satisfy its obligations for at least twelve months following the issuance of the financial statements.

After considering the financial wherewithal of its Parent to provide financial support to the Company to ensure the continued financial viability of the Company for at least twelve months following the issuance of the financial statements, management concluded that substantial doubt about the Company's ability to continue as a going concern has been alleviated. Accordingly, these financial statements do not include any adjustments that would be required were the Company not be able to continue as a going concern.

COVID-19
On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption. While the disruption is expected to be temporary, there is considerable uncertainty around the duration. Though some of the restrictions were lifted in some states in March 2021, the extent to which the pandemic will impact our business remains highly uncertain if it continues for an extended period. Accordingly, the Company cannot reasonably determine the ultimate impact the COVID-19 pandemic will have on its future results of operations due to the continuing uncertainty surrounding the pandemic's magnitude and duration.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Accounting Period
The Company maintains its records on a 52/53 week accounting cycle which ends on the last Sunday in December. The fiscal year ended December 26, 2021 ("fiscal 2021") was comprised of 52 weeks.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statement. Any difference between the amounts recorded and the amounts realized or paid will be adjusted prospectively as new facts become known. Actual results could differ from those estimates.

Fair Value of Financial Instruments
The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The fair value hierarchy has three levels, which are based on reliable available inputs of observable data, and requires the use of observable market data when available.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of current assets and current liabilities. The carrying values of current assets and current liabilities are considered to be representative of their respective fair values due to the short-term nature of these instruments. There were no transfers into or out of Level 3 during the year ended December 26, 2021.

Revenue Recognition
The Company will recognize revenue in accordance with FASB ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

2. Significant Accounting Policies (continued)

Revenue Recognition (continued)
The Company will generate revenues and earn fees from Franchised Businesses. The Company will provide the use of trademarks, system, site selection, training, and opening assistance in exchange for an initial franchise fee and royalties based on a Franchised Business's revenue. A franchise agreement establishes a Franchised Business developed in one or multiple defined geographic areas and provides for a 10-year initial term with the option to renew for 2 consecutive 5-year terms.

Initial franchise fees will be recorded as deferred revenue when received and will be recognized as revenue over the contractual term of the franchise agreement.

Transfer and renewal fees will be recognized as revenue over the contractual term of the franchise agreement. Royalties will be based on a percentage (5%) of gross sales of the Franchised Businesses and will be recognized as earned.

Advertising Costs
All costs associated with advertising and marketing are expensed in the period incurred.

Income Tax Status
The Company is a single member LLC and, as such, is treated as a division of its parent, CRACK'D, for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

Recent Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" as amended by multiple updates to the standard. This update requires lessees to recognize a lease liability and a lease asset for all leases, including operating leases, with a term greater than 12 months on its balance sheet and requires lessors to classify leases as a sales-type, direct financing or operating lease. The update also expands the required quantitative and qualitative disclosures surrounding leases. In June 2020, the FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities." ASU 2020-05 defers the effective date of ASU 2016-02 for private companies and private not-for-profit entities for one year. The updated guidance is effective for fiscal years beginning after December 15, 2021 with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", and subsequent amendments to the initial guidance, ASU 2019-10. This accounting standard changes the methodology for measuring credit losses on financial instruments, including trade accounts receivable, and the timing of when such losses are recorded. ASU No. 2016-13 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2022. The Company is currently evaluating the impact of adopting ASU No. 2016-13 on its financial statements.

In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The updated guidance is effective for annual reporting periods beginning after December 15, 2020 with early adoption permitted. This guidance should be applied retrospectively to the date ASU 606 was adopted. The Company elected to adopt the provisions of ASU 2021-02 for the year ended December 26, 2021

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements (continued)
We reviewed all other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. The Company maintains its deposits with one financial institution.

4. Income Taxes

The Company is a single member LLC and, as such, is treated as a division of its parent for federal income tax purposes. Because of its status, the Company is disregarded as a separate entity for income tax purposes, therefore the Company itself does not file an income tax return separate and apart from its parent, CRACK'D.

The Company's parent, CRACK'D, files income tax returns in the U.S. federal jurisdiction and the states in which it operates. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company is subject to examination for all years since inception.

In accordance with FASB ASC 740-10, *Income Taxes*, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 26, 2021.

5. Related Party Transactions

Transactions with affiliate
The Company and its affiliate, Crack'd Peabody, LLC, frequently advance funds and pay expenses on behalf of one another for payment of general and administrative expenses. At December 26, 2021, the Company had an amount due from its affiliate of $2,650.

Transactions with parent
The Company is a tenant in common with its parent, CRACK'D. During the year ended December 26, 2021, all expenses were paid by its parent. At December 26, 2021, the Company had a balance due to its parent in the amount of $18,619, this amount bears no interest and is due upon demand.

6. Commitments and Contingencies

Litigation
The Company is party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of the management, all matters are of such nature, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

7. Subsequent Events

In April 2022, the Company opened a bank account with a financial institution. This account was subsequently funded with a $200,000 capital contribution from its parent.

The Company has evaluated subsequent events through April 30, 2022, the date the financial statements were available to be issued.

Balance Sheet

As of 4/17/2022

Crack'dBrands, LLC

	Crack'dBrands, LLC	Total
ASSETS		
Current Asset		
1030 - Operating Account	-7,676	-7,676
1056 - Northern - CKC Brands	200,000	200,000
190000000 - Due To/From Crack'd Peabody, LLC	2,650	2,650
Total Current Asset	**194,974**	**194,974**
Total ASSETS	**194,974**	**194,974**
LIABILITIES & EQUITY		
Liabilities		
Current Liability		
1080 - American Express 3006	13,950	13,950
1085 - Amex Gold 1006	16,497	16,497
2110 - Accounts Payable	493	493
S180000100 - Due To/From Crack'd, LLC	201,000	201,000
Total Current Liability	**231,939**	**231,939**
Total Liabilities	**231,939**	**231,939**
Equity		
Equity		
3300 - Retained Earnings	-22,055	-22,055
YTD Income	-14,911	-14,911
Total Equity	**-36,966**	**-36,966**
Total Equity	**-36,966**	**-36,966**
Total LIABILITIES & EQUITY	**194,974**	**194,974**

Profit & Loss - Legal Entity Side by Side - Period

Period Ending 04/17/2022

	Crack'dBrands, LLC		Total	
Operating Expense				
7400 - General and Administrative				
7465 - Consulting Expense	2,750	100.00%	2,750	0.00%
7515 - Travel	1,281	100.00%	1,281	0.00%
Total 7400 - General and Administrative	4,031	100.00%	4,031	0.00%
Total Operating Expense	**4,031**	100.00%	**4,031**	0.00%
Corporate Overhead & Other				
9000 - Corporate Overhead				
9045 - Legal and Accounting	1,503	100.00%	1,503	0.00%
Total 9000 - Corporate Overhead	1,503	100.00%	1,503	0.00%
Total Corporate Overhead & Other	**1,503**	100.00%	**1,503**	0.00%
Net Profit	**-5,533**	100.00%	**-5,533**	0.00%

EXHIBIT B

CRACK'D KITCHEN AND COFFEE
FRANCHISE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

CRACK'D KITCHEN & COFFEE
DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	_____
DEVELOPER:	_____
ADDRESS FOR NOTICES:	_____
	_____
TELEPHONE NUMBER:	_____
FACSIMILE NUMBER:	_____
E-MAIL ADDRESS:	_____
DEVELOPMENT FEE:	$ _____
DEVELOPMENT AREA:	_____ **excluding any "Captive Markets" in this area.**
NUMBER OF STORES TO BE DEVELOPED	_____
INITIAL FRANCHISE FEE FOR EACH STORE TO BE DEVELOPED	$25,000 for the first Restaurant $12,500 for each additional Restaurant
TRANSFER FEE (CONVENIENCE OF OPERATION):	$1,500 payable if you are an individual transferring to a Business Entity for convenience of operation, or if your Owners are transferring among themselves a minority ownership interest to one or more third parties
TRANSFER FEE (TRANSFER OF BUSINESS OR CONTROLLING INTEREST):	$25,000 plus related expenses
FRANCHISOR ADDRESS FOR NOTICE	Crackdbrands, LLC Attn: Daniel Azzarello 319 Lowell Street Andover, Massachusetts 01810

_____ Franchisor Initial

_____ Developer Initial

DEVELOPMENT AGREEMENT
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CRACK'D KITCHEN & COFFEE
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages ("**Effective Date**"), by and between Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**"), and the Developer identified in the Summary Pages ("**you**").

A. Franchisor has acquired the license to use and to sublicense the use of a distinctive business format and system relating to the establishment and operation of culinary driven gourmet eatery inspired by the love of breakfast, featuring freshly made breakfast items, craft sandwiches, salads, and bowls, as well as coffees and smoothies under the name CRACK'D KITCHEN & COFFEE. ("**System**").

B. The distinguishing characteristics of the System include, without limitation, distinctive interior and exterior design, decor, color scheme, graphics, fixtures and furnishings, our proprietary procedures for preparing, packaging, and serving items, operation and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that Franchisor designates for developing, operating, managing, and promoting a CRACK'D KITCHEN & COFFEE Restaurant, all of which Franchisor may change, improve, and further develop (collectively, "**Standards**").

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "**CRACK'D KITCHEN & COFFEE"** and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System ("**Marks**").

D. You desire the right to develop multiple restaurants under the System and Marks ("**Restaurants**") and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1. Grant of Restaurant Development Rights

1.1.1. Franchisor hereby grants to you, and you hereby accept, the right and obligation, to develop the number of Restaurants in the Development Area (identified in the Summary Pages) within the timeframe set forth in the Development Schedule (identified in Attachment B). Each Restaurant to be developed shall be developed and operated pursuant to a separate Franchise Agreement in accordance with Section 4.1.

1.1.2. This Agreement grants you no right or license to use any of the Marks; your right to operate a Restaurant and license to use the Marks derives solely from the Franchise Agreements that you will enter into under this Agreement.

1.1.3. The development rights granted under this Agreement belong solely to you: you may not share them, divide them, subfranchise or sublicense them, or transfer them, except in accordance with the transfer provisions of this Agreement.

1.2. Development Area Protection.

1.2.1. During the term of this Agreement, Franchisor shall not own or operate, or grant anyone else the right to operate, a CRACK'D KITCHEN & COFFEE Restaurant within the Development Area.

1.2.2. Franchisor reserves to itself all other rights in and to use the Marks including the right to: ***(a)*** own and operate and to grant others the right to own and operate CRACK'D KITCHEN & COFFEE Restaurants outside the Development Area, regardless of their proximity to the Development Area; ***(b)*** operate CRACK'D KITCHEN & COFFEE Restaurants and license the use of the Marks and System in "Captive Markets" within and outside the Development Area; and ***(c)*** distribute products and services

identified by the Marks, such as pre-packaged product, through alternative channels of distribution including grocery stores, supermarkets, convenience stores, stores, and via mail order, catalog sales, and/or the Internet.

1.2.3. Nothing in this Agreement prohibits or restricts Franchisor from ***(a)*** owning, acquiring, establishing, operating, or granting franchise rights for one or more other businesses under a different trademark or service mark (*i.e.*, a mark other than CRACK'D KITCHEN & COFFEE), whether or not the business is the same as or competitive with CRACK'D KITCHEN & COFFEE Restaurants; or ***(b)*** owning, operating, or franchising one or more similar business as the franchise, other than the one authorized in the Franchise Agreement, under the name CRACK'D KITCHEN & COFFEE or some derivative of the Marks.

2. TERM OF DEVELOPMENT AGREEMENT

2.1. Term. Unless sooner terminated, the term ("**Term**") of this Agreement begins on the Effective Date and, unless otherwise negotiated, terminated or extended as provided in this Agreement, expires on the earlier of: ***(a)*** the date on which you have completed your development obligations under this Agreement, or ***(b)*** 11:59pm CST on the last day of the last Development Period identified in Attachment B.

2.2. Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all territorial protection afforded under this Agreement ends, and you have no further right to develop any CRACK'D KITCHEN & COFFEE Restaurants for which a Franchise Agreement has not been signed. Termination or expiration of this Agreement does not affect any rights or obligations under any then-existing Franchise Agreements.

3. FEES

3.1. Development Fee. Upon execution of this Agreement, you shall pay to Franchisor a Development Fee in the amount set forth in the Summary Pages ("**Development Fee**"). The Development Fee is fully earned by Franchisor when paid and is not refundable, in whole or in part, under any circumstances.

3.2. Initial Franchise Fee. For each Franchise Agreement signed under this Agreement, you shall pay to Franchisor an initial franchise fee in the amount set forth in the Summary Pages. When you sign a Franchise Agreement for the first Restaurant contemplated under this Agreement, Franchisor will credit a portion of your Development Fee payment to fully satisfy the initial franchise fee due thereunder. When you sign a Franchise Agreement for each additional Restaurant contemplated under this Agreement, Franchisor will credit a portion of your Development Fee payment equal to one-half of the initial franchise fee to partially satisfy the initial franchise fee due thereunder, and you shall pay the balance of the initial franchise fee.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1. Separate Franchise Agreements. The Franchise Agreement for the first Restaurant to be developed under this Agreement is the form attached as Attachment E. The Franchise Agreement for the second and each additional Restaurant to be developed is the form of Franchisor's then-current Franchise Agreement, the terms of which may be materially different from the terms of Attachment E; provided that the initial franchise fee for the second and additional Restaurants will be the amount stated on the Summary Pages.

4.2. Development Schedule. Recognizing that time is of the essence, you agree to satisfy the Development Schedule set forth in Attachment B.

4.3. Manner for Exercising Development Rights. Before exercising any development right granted hereunder, you shall apply to Franchisor for a franchise to operate a Restaurant. If Franchisor, in its sole

discretion, determines that you have met each of the following operational, financial, and legal conditions, then Franchisor will grant you a franchise for each respective Restaurant:

4.3.1. Operational Conditions: You are in compliance with the Development Schedule and this Agreement, and you or your Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. You are conducting the operation of your existing Restaurants, if any, and are capable of conducting the operation of the proposed Restaurant in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

4.3.2. Financial Conditions: You and your Owners satisfy Franchisor's then-current financial criteria for developers and Owners of CRACK'D KITCHEN & COFFEE Restaurants. You and your Owners have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreement with Franchisor. You are not in default and have not been in default during the 12-month period immediately preceding your request for financial approval, of any monetary obligations owed to Franchisor or its Affiliates under any Franchise Agreement or any other agreement between you or your Affiliates and Franchisor or its Affiliates. You acknowledge and agree that it is vital to Franchisor's interest that each of its franchisees must be financially sound to avoid failure of a Restaurant and that such failure would adversely affect the reputation and good name of CRACK'D KITCHEN & COFFEE and the System.

4.3.3. Legal Conditions: You have submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to you by this Agreement or by any Franchise Agreement.

4.4. Development Schedule. Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4.3 and the Development Schedule reflected Attachment B. You may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Restaurants which you are required to develop during any Development Period. Any Restaurant developed in excess of the minimum number of Restaurants required to be developed shall be applied to satisfy your development obligation during the next succeeding Development Period, if any. Notwithstanding the above, you shall not open or operate more than the cumulative total number of Restaurants you are obligated to develop under the Development Schedule.

4.4.1. If during the term of this Agreement, you cease to operate any Restaurant developed under this Agreement for any reason, you shall develop a replacement Restaurant. The replacement Restaurant shall be developed within a reasonable time (not to exceed 120 days) after you cease to operate the original Restaurant. If, during the term of this Agreement, you transfer your interest in a Restaurant in accordance with the terms of the applicable Franchise Agreement for the Restaurant, the transferred Restaurant will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a CRACK'D KITCHEN & COFFEE Restaurant. If the transferred Restaurant ceases to be operated as a CRACK'D KITCHEN & COFFEE Restaurant during the term of this Agreement, you shall develop a replacement Restaurant within a reasonable time (not to exceed 120 days) thereafter.

4.4.2. Your failure to adhere to the Development Schedule (including any extensions thereof, approved by Franchisor in writing) or to any time period for the development of replacement Restaurants is a material breach of this Agreement.

4.4.3. You acknowledge and agree that you have conducted an independent investigation of the business contemplated under this Agreement, that you fully understand your obligations under this Agreement, and that you recognize and assume all associated risks. In addition, you acknowledge that Franchisor makes no representation: ***(a)*** that your Development Area contains a sufficient number of acceptable locations to meet the number of Restaurants to be developed under the Development Schedule;

or ***(b)*** that your Development Area is sufficient to economically support the number of Restaurants to be developed under the Development Schedule. You acknowledge that you have performed all related and necessary due diligence before your execution of this Agreement and that, accordingly, you assume the risk of identifying a sufficient number of acceptable locations within the Development Area and the economic risk of developing the number of Restaurants set forth in Exhibit B.

4.5. Projected Opening Dates. You acknowledge that the Projected Opening Date for each Restaurant to be developed hereunder is reasonable. Subject to your compliance with Section 4.3, hereof, you shall execute a Franchise Agreement for each Restaurant at or prior to the applicable execution date set forth in the Summary Pages, which shall be a date no later than 10 months prior to the Projected Opening Date for the applicable Restaurant.

4.5.1. No later than 11 months prior to expiration of a Development Period expiration date, you shall request to sign a Franchise Agreement for each Restaurant to be developed during the Development Period.

4.5.2. Upon receiving your request, Franchisor shall deliver to you its then-current form of Franchise Disclosure Document and execution copies of its then-current form of Franchise Agreement.

4.5.3. No later than the Franchise Agreement Execution Date identified in the Development Schedule (but no sooner than as permitted by law), you shall sign and return a signed copy of the Franchise Agreement and payment of the initial franchise fee (less any applicable development credit) due thereunder.

4.5.4. Franchisor shall approve and countersign the Franchise Agreement if:

(a) You are in compliance with this Agreement and all other agreements between you or your Affiliates and Franchisor including, without limitation, all Franchise Agreements signed under this Agreement. If this condition is not met, Franchisor may require you to cure any deficiencies before it approves and countersigns the Franchise Agreement.

(b) You have demonstrated to Franchisor, in Franchisor's sole discretion, your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement.

(c) You, your Owners, each of your Affiliates, and their Owners who have a then-currently effective Franchise Agreement or development agreement with Franchisor has signed a general release, in a form prescribed by Franchisor, of any and all claims that the party has, had, or claims to have against Franchisor and/or its Affiliates and their respective officers, directors, agents and employees, whether the claims are known or unknown, arising out of or relating to this Agreement, any Franchise Agreement, the relationship created by this Agreement or any Franchise Agreement, and the offer and sale of the CRACK'D KITCHEN & COFFEE franchise opportunity.

4.6. Extension of Development Period. You, at your option, may obtain a 120-day extension to any Development Period, by delivering to Franchisor written notice of the desired extension with payment of a $3,000 extension fee. Upon delivery of notice and full payment, the current Development Period will be extended for 120 days, and the Development Schedule shall be adjusted appropriately. No more than two extensions may be obtained during the Term of this Agreement.

5. DEVELOPER'S OBLIGATIONS

5.1. Satisfaction of Development Schedule. You shall execute a Franchise Agreement for each Restaurant contemplated under this Agreement in accordance with Article 4 and the Development Schedule and shall establish and operate each Restaurant in accordance with the terms and conditions of the respective Franchise Agreement.

5.2. Compliance with Laws. You shall fully comply with all federal, state, and local laws, rules, and regulations when exercising your rights and fulfilling your obligations under this Agreement.

6. CONFIDENTIALITY

6.1. Nondisclosure of Confidential Information. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the development and operation of the Restaurants, and you shall divulge Confidential Information only to your employees, and only on a need-to-know basis. This obligation shall survive expiration or termination of this Agreement.

7. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

7.1. Independent Contractor. The parties acknowledge and agree that you are operating the business contemplated under this Agreement as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party has the right to bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed in writing by the parties. You shall conspicuously identify yourself and the business contemplated under this Agreement in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

7.2. Insurance Obligations.

7.2.1. You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies meeting Franchisor's minimum insurance requirements. Each such policy shall be written by an insurance with an A.M. Best rating of not less than A-VII, shall be primary and non-contributory to any insurance carried by Franchisor or its Affiliates., and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates. Franchisor has the right to increase or modify required minimum coverages and types of coverage, at any time. Your obligation to obtain and maintain insurance is not limited in any way by reason of any insurance maintained by Franchisor, and your compliance with minimum insurance requirements will not relieve you of your indemnification obligations under Section 7.3 of this Agreement. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor certificate of insurance evidencing your compliance with this Article 7. Each certificate of insurance shall expressly provide that no less than 30 days prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

7.2.2. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee has the right (but is not required) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium and pay a reasonable administrative fee not to exceed $500, upon demand.

7.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates and their respective directors, officers, managers, employees, shareholders, and agents, (collectively, "**Indemnitees**") from all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof arising out of or related to the business contemplated under this Agreement ("**Event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 7.3, the term "**losses and expenses**" include compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with

investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any Event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any Event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the Indemnities or the System.

8. TRANSFER OF INTEREST

8.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Marks, Copyrighted Works or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands, or damages arising from or relating to the loss of Franchisor's name, the Marks (or any variation thereof), Copyrighted Works, and System and/or the loss of association with or identification of Crackdbrands, LLC, as the Franchisor under this Agreement. You specifically waive any and all other claims, demands, or damages arising from or related to the foregoing merger, acquisition, and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract, or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as CRACK'D KITCHEN & COFFEE Restaurants operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to any CRACK'D KITCHEN & COFFEE Restaurant developed under this Agreement).

8.2. Transfer by Individual Developer to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: ***(a)*** the Business Entity is formed solely for purposes of continuing your development rights and obligations; ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed; ***(c)*** you sign a general release in favor of Franchisor and in the form Franchisor requires; and ***(d)*** you pay to Franchisor a Transfer Fee in the amount stated in the Summary Pages.

8.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer; ***(b)*** Attachment C to this Agreement has been amended to reflect the new ownership; ***(c)*** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D; ***(d)*** each previous and/or new Owner has signed a general release in favor of

Franchisor and in the form Franchisor requires, and ***(e)*** you pay to Franchisor a Transfer Fee in the amount stated in the Summary Pages.

8.4. Transfer of Agreement; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

8.4.1. Your written request for consent and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor has determined, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of any Franchised Business in operation at the time of transfer.

8.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate each Franchised Business; and has sufficient equity capital to operate each Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of each Franchised Business);

8.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

8.4.4. You and each Owner has executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, managers, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising;

8.4.5. Payment of the Transfer Fee in the amount set forth in the Summary Pages;

8.4.6. You and the transferee have executed an assignment and assumption of this Agreement in the form prescribed by Franchisor;

8.4.7. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Guaranty and Personal Undertaking;

8.4.8. The transferee has have complied with Franchisor's then-current initial training requirements for the operation of each then-existing Restaurant;

8.4.9. You have complied with the requirements set forth in Section 8.9; and

8.4.10. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

8.5. Transfer of Franchise Agreements. Notwithstanding Section 8.4 of this Agreement, you may, with Franchisor's prior written consent, execute and contemporaneously assign your right to enter into a Franchise Agreement pursuant to this Agreement to a business entity under common control with you if: ***(a)*** such business entity executes and complies with the terms and conditions of the Franchise Agreement; and ***(b)*** you pay Franchisor a Transfer Fee in the amount stated in the Summary Pages.

8.6. Transfers Void. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

8.7. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in this Agreement or the franchise without Franchisor's consent.

8.8. Private or Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a private or public offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 8.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

8.9. Right of First Refusal.

8.9.1. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business in connection with the transferee's execution of an CRACK'D KITCHEN & COFFEE Development Agreement, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and if you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer.

8.9.2. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 8.9 shall not constitute a waiver of any of the transfer conditions set forth in this Article 8.

8.10. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of the Developer or any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or permanent incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an *inter vivos* transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Article 8, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section 9.5.

8.11. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand

strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

9. DEFAULT AND TERMINATION

9.1. Termination In the Event of Bankruptcy or Insolvency. You shall be deemed to be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against any Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

9.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** you fail to meet the Development Schedule; ***(b)*** you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(c)*** there is any transfer or attempted transfer in violation of Article 8 of this Agreement; ***(d)*** you or any Owner fails to comply with the confidentiality or non-compete covenants in Article 6 and Article 10 of this Agreement; ***(e)*** you or any Owner has made any material misrepresentations in connection with your developer application; or ***(f)*** Franchisor delivers to you three or more written notices of default pursuant to this Article 9 within any rolling 12-month period, whether or not the defaults described in such notices ultimately are cured.

9.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); or ***(d)*** failure to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations.

9.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 9, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

9.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 8.10 is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

9.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, which you fail to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

9.7. Additional Remedies. If you are in Default of this Agreement, Franchisor may, in its sole discretion, elect to reduce the number of Restaurants which you may establish pursuant to the Development Schedule. If Franchisor elects to exercise this remedy as set forth above, you agree to continue to develop Restaurants in accordance with your rights and obligations under this Agreement, as modified. Franchisor's exercise of

its remedy under this Section 9.7 shall not constitute a waiver by Franchisor to exercise Franchisor's option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

10. COVENANTS

10.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

10.1.1. Divert or attempt to divert any present or prospective customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

10.1.2. Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or otherwise directly or indirectly induce such person to leave his or her employment.

10.1.3. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business at any location within the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

10.2. Non-Competition After Expiration or Termination of Agreement. For a continuous two-year period commencing upon a transfer permitted under Article 8 of this Agreement, expiration of this Agreement (without renewal), or termination of this Agreement (regardless of the cause for termination), you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business, other than a CRACK'D KITCHEN & COFFEE Restaurant operated pursuant to a then-currently effective Franchise Agreement with Franchisor, and is, or is intended to be, located ***(a)*** within the Development Area; ***(b)*** within 25 miles from the perimeter of the Development Area; or ***(c)*** within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant in existence or under development at the time of such expiration, termination or transfer. If any Owner ceases to be an Owner of the franchisee for any reason during the franchise time, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. This two-year period shall be tolled during any period of noncompliance.

10.3. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 10.1 and 10.2, or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified, which shall be fully enforceable. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Article 10. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 10.

10.4. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 10 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

10.5. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

11. REPRESENTATIONS

11.1. Representations of Franchisor. Franchisor represents and warrants that ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor 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; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within Franchisor's corporate power or written partnership or limited liability company agreement, and have been duly authorized.

11.2. Representations of Developer.

11.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the development and operation of the Franchised Business; ***(d)*** neither you nor any of your Affiliates or Owners own, operate, or have any financial or beneficial interest in any business that is the same as or similar to a CRACK'D KITCHEN & COFFEE Restaurant; and ***(e)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under its written partnership or limited liability company agreement and have been duly authorized.

11.2.2. You acknowledge that you have conducted an independent investigation of the proposed franchise and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent businessperson.

11.2.3. You represent to Franchisor that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential sales, expenses, or profit of a CRACK'D KITCHEN & COFFEE Restaurant, except for information that may have been contained in Item 19 of the franchise disclosure document delivered to you in connection with your purchase of a CRACK'D KITCHEN & COFFEE franchise.

11.2.4. You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

11.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

11.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

12. NOTICES

12.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by or by facsimile or other electronic system. Service shall be deemed conclusively made: ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by facsimile transmission, if such transmission occurs prior to 5:00 p.m. Eastern Time on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

13. CONSTRUCTION

13.1. Entire Agreement. This Agreement represents the entire fully integrated agreement between the parties concerning the subject matter hereof, and supersedes all other negotiations, agreements, representations, and covenants, oral or written. However, nothing in this Agreement is intended to disclaim or require you to waive reliance on any representation made in the franchise disclosure document that was delivered to you in connection with your purchase of a CRACK'D KITCHEN & COFFEE franchise.

13.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

13.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

13.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

13.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

13.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. As applicable, each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the applicable Guaranty and Personal Undertaking.

13.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

13.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

13.9. No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

13.10. Business Judgment. Notwithstanding any contrary provisions contained in this Agreement, the parties acknowledge and agree that: ***(a)*** this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with your explicit rights and obligations hereunder that may effect favorably or adversely your interests; ***(b)*** Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Restaurants generally (including Franchisor, and its Affiliates and other franchisees), and specifically without considering your individual interests or the individual interests of any other particular franchisee (examples of items that will promote or benefit the System and Restaurants generally include, without limitation, enhancing the value of the Marks and/or the CRACK'D KITCHEN & COFFEE brand, improving customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); ***(c)*** Franchisor will have no liability to you for the exercise of its discretion in this manner; and ***(d)*** even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR OUR DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

14. APPLICABLE LAW; DISPUTE RESOLUTION

14.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

14.2. Mediation.

14.2.1. The parties acknowledge that during the term of this Agreement certain disputes may arise that the parties are unable to resolve through private negotiation (a "**Dispute**"). To facilitate resolution of the Dispute, Franchisor, you, and each Owner agree to submit the Dispute to mediation pursuant to the terms of this Section 14.2. before legal proceedings may be initiated.

14.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("AAA") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time mediation is initiated. The costs and expenses of mediation paid to the AAA or to the mediator will be paid equally by the parties. All other mediation-related expenses, including but not limited to, attorneys' fees and travel expenses, will be paid by the party that incurred such expense.

14.2.3. If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 14.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

14.2.4. Notwithstanding the foregoing provisions of this Section 14.2, the parties' agreement to mediate shall not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

14.3. Arbitration.

14.3.1. Any dispute, controversy, or claim between the parties or their respective Affiliates or Owners, including without limitation, claims arising out of or relating to this Agreement and the relationships created hereby that are not resolved during the mediation process described in Section 14.2. must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial Rules of the AAA. The Arbitrator must be a person experienced in food service franchising or franchise law who has no prior business or professional relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("**FAA**"). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction, and the arbitrator must state in writing the reasoning upon which the award is based. The costs and expenses of arbitration paid to the AAA or to the arbitrator will be paid equally by the parties. All other arbitration-related expenses, including but not limited to, attorneys' fees and travel expenses, will be paid by the party that incurred such expense.

14.3.2. Arbitration will be conducted in the city in which Franchisor maintains its principal business offices at the time of the arbitration. Arbitration will be conducted on an individual, not a class-wide, basis and an arbitration proceeding between the parties and their respective Owners, officers, directors, agents, and/or employees may not be consolidated with any other arbitration proceeding between Franchisor and any other person. The arbitrator has no power or authority to award punitive damages.

14.3.3. Any disputes concerning the enforceability or scope of this arbitration provision must be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision.

14.3.4. If you institute any claim subject to this arbitration proceeding in any court, and Franchisor succeeds in a motion to compel arbitration of the claim, you must reimburse Franchisor its reasonable attorneys' fees and costs in defending the action and in its motion to compel arbitration.

14.3.5. Notwithstanding the foregoing provisions of this Section 14.3., the parties' agreement to arbitrate will not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks, or your misuse of Franchisor's Confidential Information. Moreover, regardless of this arbitration agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary

injunctive relief in any court of competent jurisdiction. You and your Owners irrevocably consent to personal jurisdiction in the state and federal courts located in the county in which Franchisor maintains its principal place of business for this purpose.

14.4. Venue. Without limiting the generality of the arbitration provision, the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively in the state or federal court serving the judicial district in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Notwithstanding the foregoing, Franchisor shall have the right to seek injunctive relief from any court of competent jurisdiction.

14.5. Nonexclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

14.6. WAIVER OF JURY TRIAL. FRANCHISOR AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

14.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

14.8. Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within one year and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

14.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

14.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR: **CRACKDBRANDS, LLC** a Texas limited liability company	**DEVELOPER:** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

CALIFORNIA AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 *et seq*. ("**CFIL**"), and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq*. (the "**CRA**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Developer**"), hereby amend the Development Agreement between them dated _____ (the "**Agreement**") as follows:

1. Sections 20000 through 20043 of the CRA provide rights to Developer concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to Developer concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement, including Section 9.1, is inconsistent with these laws, these laws will control.

2. Sections 8.2, 8.3, and 8.4 of the Agreement require Developer to execute a general release of claims upon transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 2000 through 20043).

3. Section 10.2 of the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

4. Sections 14.2, 14.3, and 14.4 of the Agreement require litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may unenforceable under California law.

5. Section 14.1 of the Agreement requires that it be governed by ~~a state's law other than the State of California~~Texas law, such requirement may be unenforceable.

6. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR: **CRACKDBRANDS, LLC** a Texas limited liability company	**DEVELOPER:** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 – 705/44 (1994) (the "**Illinois Franchise Act**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Developer**"), hereby amend the Development Agreement between them dated _____ (the "**Agreement**") as follows:

1. Section 705/19 and 705/20 of the Illinois Franchise Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.

2. Section 41 of the Illinois Franchise Act states that "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." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control. Any provision that designates jurisdiction or venue or required Developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the State of Illinois.

3. Any provision that designates jurisdiction or venue or required Developer to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois.

4. To the extent that Section 14.1 of the Agreement (pertaining to choice of law) conflicts with Illinois law, Illinois law will control.

5. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR: **CRACKDBRANDS, LLC** a Texas limited liability company	**DEVELOPER:** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

MARYLAND AMENDMENT TO DEVELOPMENT AGREEMENT

For purposes of complying with the requirements of Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., Bus. Reg. §§ 14-201 – 14-233 (2004 Repl. Vol.) (the "**Maryland Franchise Law**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Developer**") hereby amend the Development Agreement between them dated _____ (the "**Agreement**") as follows:

1. Section 14-226 of the Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Development Agreement requires Developer to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase your franchise, the Agreement is amended to reflect that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

2. Pursuant to COMAR 02.02.08.16L, the Agreement is amended to reflect that:

(a) Any release required as part of the Agreement or as a condition of the sale, renewal, or assignment, or transfer of the franchise shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

(b) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(c) Any provision in the Agreement which requires litigation to be conducted in a forum other than the State of Maryland will not limit any rights Developer may have under § 14-216(c)(25) of the Maryland Franchise Law to bring suit in the State of Maryland.

3. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR: **CRACKDBRANDS, LLC** a Texas limited liability company	**DEVELOPER:** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

NEW YORK AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT (this "**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____, by and between Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**"), and _____, ("**Developer**"). Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Development Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

1. To the extent that this Area Development Agreement contains provisions that are inconsistent with New York law, such provisions are hereby amended:

   (a) If this Area Development Agreement requires that it be governed by a state's law, other than the State of New York, such requirement should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Laws of the state of New York.

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

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR: **CRACKDBRANDS, LLC** a Texas limited liability company	**DEVELOPER:** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Captive Market**" means any facility serving a captive market, including department stores, supermarkets, shopping malls, amusement parks, airports, train stations, travel plazas, casinos, nightclubs, stores, public facilities, college and school campuses, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight service), military bases, and any other mass gathering events or locations, and facilities of any kind for which service rights are contracted to a third party or parties (including, but not limited to, designated road ways and facilities adjacent thereto). As used herein, the term "shopping malls" includes any retail center (enclosed or open), including "outlet malls," with an aggregate gross leasable area in excess of 350,000 square feet.

"**Competitive Business**" means any coffee bar or any restaurant focused on breakfast and lunch service or breakfast and lunch menu items, except for a business operated under a valid Franchise Agreement with Franchisor.

"**Confidential Information**" means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; Franchisor's proprietary standards and specifications for product preparation, packaging and service; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Development Agreement or Franchise Agreement, and all other information that Franchisor designates.

"**Controlling Interest**" means: **(a)** if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively **(i)** directly or indirectly own at least 51% of the shares of each class of the developer entity's issued and outstanding capital stock or membership units, as applicable; and **(ii)** are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or **(b)** if you are a partnership, that the Owners **(i)** own at least 51% interest in the operating profits and operating losses of the partnership as well as at least 51% ownership interest in the partnership (and at least 51% interest in the shares of each class of capital stock of any corporate general partner); and **(ii)** are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement. Any interest less than 51% of the corporation, limited liability company, or partnership is a "**Non-Controlling Interest**."

"**Copyrighted Works**" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor's product packaging and advertising and promotional materials, and the content and design of Franchisor's Web site and advertising and promotional materials.

"**Development Period**" means each of the time periods indicated on Attachment B during which you shall have the right and obligation to construct, equip, open and thereafter continue to operate CRACK'D KITCHEN & COFFEE Restaurants.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil

disturbance; epidemics; or other similar forces which you could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by a Governmental Authority, nor the performance, non-performance or exercise of rights under any agreement with you by any lender, landlord, or other person shall be an event of Force Majeure under this Agreement, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. Your financial inability to perform or your insolvency shall not be an event of Force Majeure under this Agreement.

"**Franchise Agreement**" means the form of agreement prescribed by Franchisor and used to grant to you the right to own and operate a single Restaurant, including all attachments, exhibits, riders, guarantees or other related instruments, all as amended from time to time.

"**Owner**" means each individual or entity holding a beneficial ownership in the developer entity. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a partnership, and the grantor and the trustee of the trust. If any "Owner" is, itself, a partnership or other entity, then the term "Owner" includes each individual or entity holding a beneficial ownership in the partnership or entity; the intent being that the term "Owner" is intended to include all individuals holding a beneficial interest in the franchisee, either directly or indirectly.

ATTACHMENT B
DEVELOPMENT SCHEDULE

The "Development Schedule" is as follows:

Development Period	Expiration Date of Development Period	Cumulative Total Number of Restaurants which Developer Shall Have Open and in Operation in the Development Area
1		
2		

The "Projected Opening Dates" are as follows:

Restaurant	Projected Opening Date	Franchise Agreement Execution Date
1		
2		

IN WITNESS WHEREOF, the parties hereof have executed this Attachment B effective for all purposes as of the Effective Date.

FRANCHISOR:
CRACKDBRANDS, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

DEVELOPER:
_____
_____

By: _____
Name: _____
Title: _____

ATTACHMENT C
ENTITY INFORMATION

If Developer is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

(1) Developer is a _____, formed under the laws of the state of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the Developer's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time-to-time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

Name	**Address**	**Number of Shares or Percentage Interest**

FRANCHISOR:
CRACKDBRANDS, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:
_____
_____

By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT D
GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Development Agreement between Crackdbrands, LLC ("**Franchisor**") and _____ _____ ("**Developer**").

2. I own a beneficial interest in the Developer and would be considered an "**Owner**" within the definition contained in Development Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking ("**Guaranty**"), Franchisor would not have agreed to enter into the Development Agreement with the Developer.

4. I will comply with all of the provisions contained in Article 6 of the Development Agreement concerning the use of the Confidential Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Development Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Developer's employees on a need-to-know basis, ***(b)*** to the Developer's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

5. I will comply with all of the provisions contained in Article 8 of the Development Agreement concerning the assignment of my Development Agreement.

6. While I am an "Owner" of the Developer and, for a two-year period after I cease to be an Owner (or two years after termination or expiration of the Development Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of a CRACK'D KITCHEN & COFFEE Restaurant to any competitor or do anything to harm the goodwill associated with the Marks and the System;

(b) Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or induce such person to leave his or her employment; or

(c) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business, other than a CRACK'D KITCHEN & COFFEE Restaurant operated pursuant to a then-currently effective franchise agreement. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Development Agreement, whichever occurs first) to any location that is, or is intended to be, located in the Development Area, within 25 miles from the perimeter of the Development Area, or within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant in existence or under development at the time I cease being an Owner (or termination or expiration of the Development Agreement, whichever occurs first). This two-year period described in this Section 6(c) will be tolled during any period of my noncompliance.

7. I agree that the provisions contained in Article 14 of the Development Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

8. I hereby guarantee the prompt and full payment of all amounts owed by the Developer under the Development Agreement.

9. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Developer has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Developer before seeking recovery from me under this Guaranty.

10. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Developer has pledged other security or if one or more other persons have personally guaranteed performance of the Developer's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

11. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE DEVELOPMENT AGREEMENT AND/OR THE PERFORMANCE OF ANY PARTY UNDER THE DEVELOPMENT AGREEMENT**.

12. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

13. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Executed on the date set forth below:

GUARANTOR

Dated:

Name:

Address for notices:

EXHIBIT C

CRACK'D KITCHEN AND COFEE
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

CRACK'D KITCHEN & COFFEE
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	_____
FRANCHISEE(S):	_____
ADDRESS FOR NOTICES:	_____
OPERATIONS MANAGER:	_____
Telephone Number:	_____
Email Address:	_____
SITE SELECTION AREA:	_____
INITIAL FRANCHISE FEE:	$25,000
ROYALTY FEE:	5% of Gross Revenues
ADVERTISING FEE:	Up to 1% of Gross Revenues
RESTAURANT LOCAL MARKETING EXPENDITURE	At least 2% of Gross Revenues
RENEWAL FEE:	An amount equal to 50% of the then-current initial franchise fee generally charged to new CRACK'D KITCHEN & COFFEE franchisees
TRANSFER FEE:	$1,500 (Convenience of Ownership, Section 12.2) $2,500, plus reimbursement of Franchisor's cost in facilitating the transfer (including reasonable attorneys' fees) (Non-Controlling Interest, Section 12.3) 50% of our then-current Initial Franchise Fee for transfers of the franchised business or controlling interest in the franchisee entity to new franchisee (Section 12.4)
FRANCHISOR ADDRESS FOR NOTICES:	Crackdbrands, LLC 319 Lowell Street Andover, Massachusetts 01810 Attention: Chief Executive Officer

_____ _____

Franchisor Initial Franchisee Initial

FRANCHISE AGREEMENT
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CRACK'D KITCHEN & COFFEE
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (**"Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages ("**Effective Date**") by and between Crackdbrands, LLC, a Texas limited liability company (**"Franchisor"**), and the franchisee identified in the Summary Pages ("**you**").

A. Franchisor has acquired the license to use and to sublicense the use of a distinctive business format and system relating to the establishment and operation of culinary driven gourmet eatery inspired by the love of breakfast, featuring freshly made breakfast items, craft sandwiches, salads, and bowls, as well as coffees and smoothies under the name CRACK'D KITCHEN & COFFEE. ("**System**").

B. The distinguishing characteristics of the System include, without limitation, distinctive interior and exterior design, decor, color scheme, graphics, fixtures and furnishings, our proprietary recipes, procedures for preparing, packaging, and serving menu items, operation and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques, and procedures that Franchisor designates for developing, operating, managing, and promoting a CRACK'D KITCHEN & COFFEE Restaurant, all of which Franchisor may change, improve, and further develop (collectively, "**Standards**").

C. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark CRACK'D KITCHEN & COFFEE and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System ("**Marks**").

D. You desire to enter into the business of operating a Restaurant under the System and Marks ("**Restaurant**") and Franchisor desires to grant you such rights, all pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration for the mutual premises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT

1.1. Grant.

1.1.1. Subject to the provisions of this Agreement, Franchisor hereby grants you the nonexclusive right to continuously operate a CRACK'D KITCHEN & COFFEE at the franchised location identified (or to be identified) in Attachment B ("**Franchised Location**"), to provide delivery services in accordance with the Standards (which may include distance or area restrictions), and to use the Marks in the operation and promotion of the Restaurant (the "**Franchised Business**"). To the extent that Franchisor, from time to time, may expand its service offerings to provide catering and delivery services, you have the right to provide such services in such area that Franchisor may authorize according to the terms of this Agreement and Franchisor's then-current standards, policies and procedures. You hereby undertake the obligation and agree to continually operate the Franchised Business during the term hereof and strictly according to the terms and conditions of this Agreement.

1.1.2. This Agreement grants you no right, among others, to: ***(a)*** sublicense the use of the System or Marks, ***(b)*** to cobrand with another concept, ***(c)*** to provide on-site catering services (such as from a cart, kiosk, food truck or other mobile unit, or customer location) without Franchisor's prior written consent, ***(d)*** to utilize third party delivery services (such as UberEATS, DoorDash, Postmates, GrubHub, or other third parties offering delivery) without Franchisor's prior written consent, or ***(e)*** to distribute CRACK'D KITCHEN & COFFEE products through wholesale channels, such as supermarkets, convenience stores or other retailers, or through food service providers such as restaurants or airlines through in-flight services.

1.2. No Protected Area and Reservation of Rights. This Agreement grants you no protected area or territory. Without limiting the foregoing, during the term of this Agreement, Franchisor may ***(a)*** own or operate, or grant anyone else the right to operate, a CRACK'D KITCHEN & COFFEE Restaurant regardless of its proximity to your Restaurant, ***(b)*** develop, operate, and offer other concepts that may compete with franchisees, and ***(c)*** distribute products and services identified by the Marks, such as pre-packaged products, through alternative channels of distribution including grocery stores, supermarkets, convenience stores, restaurants, and via mail order, catalog sales, and/or the Internet.

2. TERM

2.1. Term. The "**Term**" of this Agreement begins on the Effective Date and expires, unless earlier terminated, on the tenth (10th) anniversary of the Restaurant opening, but no later than 11 years from the Effective Date, regardless of the date on which the Restaurant opens to the public for business.

2.2. Renewal. You may renew the franchise granted by this Agreement for two consecutive five-year periods if, at the end of each term, each of the following conditions has been satisfied: ***(a)*** you have notified Franchisor of your intent to renew the franchise no less than 12 months and no more than 24 months before the then-current term expiration date; ***(b)*** you are not in default of any material provision of this Agreement and you have complied with the materials terms and conditions of this Agreement throughout the term; ***(c)*** you have satisfied all monetary obligations owed to Franchisor, its Affiliates and third party suppliers; ***(d)*** you have renovated and refurbished the Restaurant premises so that they reflect Franchisor's then-current image, trade dress, equipment, and furnishings requirements; ***(e)*** you have the right to remain in possession of the Restaurant premises, or have secured an alternate site with Franchisor's prior approval, and have provided Franchisor with a copy of your lease, including any exhibits, attachments, or amendments thereto and containing the Lease Rider attached to this Agreement as Exhibit F (if you do not own the Franchised Location); ***(f)*** you comply with the then-current qualifications and training requirements; ***(g)*** you sign Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement, and each Owner executes a guaranty and personal undertaking in the form Franchisor prescribes; ***(h)*** you and each Owner sign a general and full release in favor of Franchisor and its Affiliates, and their respective, officers, directors, shareholders, members, managers, employees, and agents, of any claims arising out of or related to the franchise relationship including the offer and sale of the CRACK'D KITCHEN & COFFEE franchise opportunity; and ***(i)*** the Renewal Fee, in the amount specified in the Summary Pages, has been paid.

2.3. Operation after Expiration of Term. If this Agreement expires and you continue to operate the CRACK'D KITCHEN & COFFEE Restaurant after expiration, Franchisor may, at its option declare you to be holding over. In such event, the terms of this Agreement will govern the parties' relationship, provided that: ***(a)*** either party may terminate the relationship at any time during the holdover period, for any reason or for no reason, by delivering to the other party written notice of termination; and ***(b)*** the Royalty Fees due and payable during such holdover period shall be 150% of the Royalty Fees due and payable under this Agreement.

3. SITE SELECTION, CONSTRUCTION; RESTAURANT LOCATION

3.1. Site Selection. You must identify and acquire a site for the Restaurant within 120 days after the Effective Date of this Agreement. The site must be located within the Site Selection Area identified in the Summary Pages, must meet Franchisor's then-current site selection criteria, and must otherwise be mutually acceptable to you and to Franchisor. Franchisor may assist you in site selection, in its sole discretion, which assistance may include making available to you the services of an internal development management team or a designated third-party tenant representative consulting firm. If required, you must use the services of a designated tenant representative consulting firm and pay any fees imposed by the firm. Although Franchisor or its tenant representative may propose sites for your consideration, you understand that ultimate site selection is solely your choice and your responsibility.

3.2. Franchise Site Application. For each proposed site that you identify, you must deliver to Franchisor a completed franchise site application in a form Franchisor prescribes, including such information about the site as Franchisor may reasonably request to perform its evaluation. This information may include, among other things, a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site, and other commercial characteristics (including the purchase price, rental obligations, and other lease terms for the proposed site) and the size, appearance, other physical characteristics, and a site plan of the premises. Franchisor will permit or refuse to permit development of the Restaurant at the proposed site within 10 days after the receipt of these documents and any additional information as Franchisor may reasonably require. Franchisor's failure to provide notification within this time period shall not be considered permission. **The parties acknowledge and agree that Franchisor's permission to develop the Restaurant at a particular site is not an assurance that the Restaurant will achieve a certain sales volume or level of profitability; it means only that the proposed site meets Franchisor's minimum criteria for a CRACK'D KITCHEN & COFFEE Restaurant.**

3.3. Lease. If you will occupy the Franchised Location under a lease with a third-party landlord, Franchisor has the right to approve the lease terms, and the lease shall not be signed until it has been reviewed and approved by Franchisor. **The parties acknowledge and agree that Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable; it means only that the lease contains the lease terms that Franchisor requires.** The lease also must contain the terms reflected in Attachment F, including Franchisor's option to assume the lease in the event of expiration or termination of this Agreement. The provisions of this Section 3.3 shall apply to any and all amendments to such lease and any and all subsequent leases and lease renewal agreements. You shall provide to Franchisor a true and correct copy of all leases and amendments, if any, within 10 days after the execution of such lease or amendment.

3.4. Restaurant Design and Build-out. You shall follow Franchisor's procedures for Restaurant construction and build-out, shall construct and build out the Restaurant according to Franchisor's standards and specifications for design, decor and layout, and shall equip the Restaurant according to Franchisor's requirements for fixtures, furnishings, equipment, interior and exterior signage, artwork and graphics, and awnings. You are solely responsible for obtaining all government approvals, zoning classifications, permits, and clearances related to the Restaurant and for complying with applicable requirements of the Americans with Disabilities Amendments Act. During construction, you must maintain general liability and property damage insurance of the type and with the limits Franchisor requires, protecting you, Franchisor, and its Affiliates, and their respective partners, shareholders, directors, agents, and employees. Such policy or policies shall be written by a responsible insurer or insurers acceptable to Franchisor and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates, and their respective partners, shareholders, directors, agents, and employees. You shall notify Franchisor in writing when construction begins, and thereafter shall provide a monthly progress report. Franchisor and its designees have the right to inspect the site at all reasonable times.

3.5. Opening. When a site is identified, the parties will mutually agree on an opening date ("**Opening Date**"), which will be no later than 10 months after the date you secure a location for the Restaurant, or more than a year after the Effective Date. The Opening Date will be reflected on Attachment B. You must cause the Restaurant to open for business by the Opening Date, but may open for business only with Franchisor's prior written permission, which will be granted only if: ***(a)*** all amounts due Franchisor under this Agreement have been paid; ***(b)*** the Restaurant has been constructed and equipped according to Franchisor's standards and specifications; ***(c)*** all of your pre-opening and training obligations have been satisfied; ***(d)*** Franchisor has received from you a signed ACH Authorization (Attachment E); ***(e)*** Franchisor has received from you a fully executed copy of your Restaurant lease containing the mandatory lease terms

described in Attachment F; ***(f)*** Franchisor has received from you certificates of insurance as required by Article 11; and ***(g)*** you are otherwise in good standing under this Agreement.

3.6. Relocation. You may relocate the Restaurant only with Franchisor's prior written consent. Franchisor will grant its consent if your lease expires or terminates through no fault of yours, or if the Restaurant premises is destroyed or materially damaged by fire, flood, or other natural catastrophe ("**Innocent Loss or Casualty**") and you are not in default of this Agreement or any other agreement between you and Franchisor. Selection of the relocation site and Restaurant construction, renovation, and opening shall be governed by this Article 3; provided that if the relocation occurred as a result of the loss of an Innocent Loss or Casualty, the Restaurant must be open for business at the new location within six months of closing at the previous location and if the relocation occurred for any other reason, the Restaurant must be open for business at the new location within five days of closing at the previous location and you must pay Franchisor a Relocation Fee equal to 50% of the then-current initial franchise fee for new franchisees. Franchisor may, in its sole discretion, assist you in the site transfer and may offer assistance in, but is not limited to, coordinating suppliers for the new location, training of new staff, and marketing planning assistance. You are solely responsible for all relocation costs and expenses. If Franchisor provides any assistance, you must reimburse Franchisor, upon demand, for all out-of-pocket costs that it incurs in connection with providing such assistance.

4. FEES

4.1. Initial Franchise Fee. Upon execution of this Agreement, you shall pay Franchisor an Initial Franchise Fee in the amount specified in the Summary Pages, which is fully earned and nonrefundable upon payment.

4.2. Royalty Fees. During the Term of this Agreement, you shall pay to Franchisor a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Pages for the right to use the System and the Marks.

4.3. Technology Fee. The parties acknowledge and agree that the technological environment is rapidly changing and that it is difficult to anticipate the cost of developing, acquiring, implementing, and licensing Internet and communications technologies that may benefit franchisees of the System. Accordingly, in addition to the Royalty Fee, Franchisor reserves the right to impose a Technology Fee in an amount determined by Franchisor, but which shall not exceed a defined amount in any calendar year ("**Technology Fee Cap**"). For calendar year in which this Agreement became effective, the Technology Fee Cap is the greater of $250 per month or $3,000 per calendar year. The Technology Fee Cap shall increase automatically each calendar year by an amount not to exceed 10% of the prior year's Technology Fee Cap. You agree to pay the Technology Fee according to the terms prescribed by Franchisor.

4.4. Advances, Purchases, and Reimbursements. In addition to all other payments provided in this Agreement, you shall pay Franchisor and its Affiliates promptly when due all amounts advanced by Franchisor or which Franchisor has paid, or for which it has become obligated to pay on your behalf for any reason whatsoever; and shall pay all amounts due to Franchisor, its Affiliates, or third-party suppliers, for the purchase of products, supplies or services relating to the Franchised Business. If Franchisor or an Affiliate of Franchisor elects to compensate a customer for a negative experience according to Section 6.1(f), you must reimburse the amount of the payment.

4.5. No Set-off Rights. You may not set-off, deduct, or otherwise withhold any fees or other amounts due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor of any of its obligations or for any other reason. Withholding payment of Royalty Fees, or any other amounts due Franchisor is a material breach of this Agreement.

4.6. Accounting Period. Franchisor has the right to define applicable accounting periods, for purposes of calculating and paying amounts due under this Agreement. Each period, which may be defined in terms of days, weeks, or months, in Franchisor's sole discretion, will be considered an "**Accounting Period**" for

all purposes under this Agreement. Franchisor has the right to change or modify the definition of an Accounting Period, in its discretion, for the entire CRACK'D KITCHEN & COFFEE franchise system, generally, or for you, individually, if you fail to comply with this Agreement. Franchisor shall provide you at least 30 days advance written notice of any change in Accounting Period affecting the CRACK'D KITCHEN & COFFEE franchise system, or at least 30 days advance written notice of any change in Accounting Period affecting you, individually, based on your noncompliance under this Agreement. You shall make all changes necessary to conform to such change or modification.

4.7. Payment Terms and Procedures. All payments required by this Agreement shall be paid within the time Franchisor specifies ("**Due Date**"). If the Due Date is not a Business Day, then payment shall be due on the next Business Day. Franchisor shall determine the amount of the Royalty Fee, Advertising Fee, and other amounts due under this Agreement by accessing and retrieving Gross Revenues data from your computer system, as permitted by Article 10. On each Due Date, Franchisor will transfer from your commercial bank operating account ("**Account**") the fees due and owing. If you have not reported Gross Revenues for any reporting period, or if Franchisor determines that you have underreported Gross Revenues, Franchisor also has the right to transfer from the Account, at its option, an estimated Royalty Fee, and Advertising Fee, which estimate shall be based on prior amounts until sufficient documentation exists to prepare an accurate reconciliation. Any underpayments will bear interest according to Section 4.9., below. Any overpayment will be credited against future payments due under this Agreement.

4.8. Electronic Fund Transfer. You shall participate in Franchisor's then-current electronic funds transfer program. To this end, you shall: ***(a)*** comply with Franchisor's procedures, as specified in the Manual, or otherwise in writing; ***(b)*** perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 4.8; ***(c)*** execute and deliver to Franchisor a form authorizing Franchisor to collect the Royalty Fee, and all other amounts due under this Agreement; and ***(d)*** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof. Notwithstanding the provisions of this Article 4, Franchisor reserves the right to modify, at its option, the method by which you pay the Royalty Fee, and other amounts owed under this Agreement upon receipt of written notice by Franchisor. Your failure to have sufficient funds in the Account is a material breach of this Agreement.

4.9. Interest; Nonsufficient Funds Charge. Any payments not received by Franchisor by the Due Date will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Restaurant operates, whichever is less. If any check, draft, electronic or otherwise, is returned for insufficient funds, you shall pay to Franchisor a nonsufficient funds charge in the amount of $100 (which may be increased each year by an amount not to exceed 10% of the then-current amount) and reimburse Franchisor for all expenses that it incurs on account of such nonsufficient funds.

4.10. Partial Payments; Application of Payments. If you pay less than the amount due, your payment will be considered a partial payment on account. Franchisor may accept such payment as a partial payment, irrespective of any endorsement or other statement that the payment constitutes full payment. Franchisor's acceptance of such partial payment will not be considered a waiver of any of its right to demand or receive full payment, and you hereby waive any estoppel defense in this regard. Franchisor may apply your payments to any indebtedness, in its sole and reasonable discretion, regardless of any designation that accompanies the payment.

4.11. Payment of Taxes. If any tax is imposed on payment owed to Franchisor (other than a tax imposed on Franchisor's net income), then you shall be responsible and shall pay the tax in addition to your payment obligation, the intent being that Franchisor shall receive all payments in full, as if no such tax had been imposed.

5. TRAINING AND ASSISTANCE

5.1. Initial Training. Before you may open the Restaurant for business, Franchisor will provide, and your Operations Manager must attend and complete to Franchisor's satisfaction Franchisor's initial training program. The initial training program will take place at a location and time that Franchisor designates. Up to three individuals, including your Operations Manager and Restaurant Manager (if any), may attend Franchisor's initial training program without charge. At your request, Franchisor may permit three additional individuals to attend the same training program, subject to space availability and payment of a reasonable tuition. You are responsible for all costs and expenses of complying with Franchisor's training requirements including, without limitation, tuition and registration costs and salary, travel, lodging, and dining costs for all of your employees who participate in the training.

5.2. Restaurant Opening Assistance.

5.2.1. If this Agreement is being signed in conjunction with your first CRACK'D KITCHEN & COFFEE Restaurant, Franchisor will make available at least one individual to provide you 21 days of on-site opening assistance. At your request, or if Franchisor deems necessary, Franchisor shall provide additional on-site opening assistance, subject to availability of personnel. In such event, Franchisor has the right to charge (and you agree to pay) a per diem fee of $500 per individual providing such assistance per day, and you must reimburse Franchisor for all out-of-pocket costs that it incurs in connection with providing such additional assistance, including travel, lodging, and dining costs for the individual(s) providing such assistance.

5.2.2. If this Agreement is being signed in conjunction with your second or additional CRACK'D KITCHEN & COFFEE Restaurant(s), Franchisor has no obligation to offer on-site opening assistance. However, Franchisor may elect to provide such on-site opening assistance as it deems necessary and appropriate, in its sole discretion. In such event, Franchisor has the right to charge (and you agree to pay) a per diem fee not to exceed $500 per individual providing such assistance per day, and you must reimburse Franchisor for all out-of-pocket costs that it incurs in connection with providing such on-site opening assistance, including travel, lodging and dining costs for the individual(s) providing such assistance.

5.3. Pre-Opening Consultation. Franchisor shall provide such pre-opening consultation and advice as it deems appropriate, which may include advice with regard to the development and operation of the Restaurant, building layout, furnishings, fixtures, and equipment, plans and specifications, purchasing and inventory control, and such other matters as Franchisor deems appropriate.

5.4. Ongoing Consultation. Franchisor shall provide such ongoing consultation and advice as it deems appropriate, which may include information about new product development, instruction concerning the operation and management of a CRACK'D KITCHEN & COFFEE Restaurant, advertising and marketing advice, and financial and accounting advice. Such consultation and advice may be provided, in Franchisor's discretion, through Restaurant visits by Franchisor personnel, via meetings, seminars or conferences, and/or through dissemination of electronic or printed materials.

5.5. Additional Training. You shall cause your Operations Manager, Restaurant managers, and/or other employees that Franchisor designates to attend such additional courses, seminars, and other training programs as Franchisor may reasonably require. You may also request additional training. Franchisor may charge a reasonable tuition for these additional courses, seminars, or other training programs, and you are responsible for all training-related costs and expenses including, without limitation, salary, travel, lodging, and dining costs for all employees who participate in the training.

5.6 Mandatory Ongoing Training. Franchisor from time to time may provide and, if it does, may require that previously trained and experienced Franchisees or their Operations Manager, Restaurant managers, or employees attend and successfully complete refresher training programs or seminars at such location as may be designated by Franchisor, and at Franchisee's expense; provided, however, that attendance will not be required at more than three such programs for a minimum of two days each in any calendar year.

5.7. Performance by Delegate. You acknowledge and agree that any rights or duties of Franchisor may be exercised and/or performed by any of Franchisor's designees, agents, or employees. Franchisor reserves the right to retain the services of a master development agent in the geographic area in which the Restaurant will be located. In such event, the master development agent may provide certain consultation, advice, services, and assistance, as Franchisor may direct. You acknowledge and agree that you are not an intended third-party beneficiary under any agreement between Franchisor and any master development agent.

6. OPERATION OF THE FRANCHISED BUSINESS

6.1. General Operating Requirements. You understand and acknowledge that every detail of the System is essential to maintain and enhance the goodwill associated with the Marks and the integrity of the brand. Accordingly, you agree as follows:

(a) To operate the Franchised Business according to the highest applicable health standards and ratings, to timely obtain any and all permits, certificates, or licenses necessary for the lawful operation of the Franchised Business, to operate the Franchised Business according to Franchisor's operating methods, standards, and specifications, and to maintain, at all times, high moral and ethical standards in the operation of the Franchised Business.

(b) To accept debit cards, credit cards, stored value cards, or other non-cash systems that Franchisor specifies periodically to enable customers to purchase menu items and other authorized goods and services, and to install all hardware and/or software necessary to accept such payments.

(c) To take reasonable precautions to prevent data security breaches, and to comply with breach notification statutes and other legal requirements in the event of a security breach.

(d) To notify Franchisor by telephone and confirm in writing within 72 hours of any investigation or violation, actual or alleged, concerning any health, liquor, or narcotics laws or regulations and notify Franchisor in writing within five days of the commencement of any investigation, action, suit or proceeding, and the issuance of any order, writ, injunction, award, or decree of any court, agency or other government instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

(e) Upon the occurrence of a Crisis Management Event, to immediately inform Franchisor's Chief Executive Officer (or as otherwise instructed in the Manuals) by telephone, and to cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event.

(f) To process and handle all consumer complaints connected with or relating to the Restaurant, and to promptly notify Franchisor of all: ***(i)*** food-related illnesses; ***(ii)*** safety or health violations; ***(iii)*** claims exceeding $1,000; and ***(iv)*** any other material claims against or losses suffered by the Franchised Business. You shall maintain any communications with governmental authorities affecting the Restaurant during the term of this Agreement and for one year after the expiration or earlier termination hereof. If any customer of the Franchised Business contacts Franchisor to report a complaint about Franchisee's Restaurant, the parties agree that Franchisor may, in its discretion, compensate the customer in such manner as Franchisor determines appropriate, and you agree to reimburse Franchisor the amount of such compensation upon demand by Franchisor.

(*g*) To participate in any online ordering system that may be developed for the System according to its terms.

6.2. Operations Manager. The Restaurant must at all times be supervised by your Operations Manager. Franchisor recommends, but does not require, that the Operations Manager have at least a 10% equity interest in the franchisee. The Operations Manager shall have full control over day-to-day Restaurant management and operations. The Operations Manager must attend and successfully complete Franchisor's initial training program and all additional training (including food safety training) that Franchisor requires, to Franchisor's satisfaction. Unless a Restaurant Manager is designated and approved as described below,

the Operations Manager shall devote his or her full-time efforts to Restaurant operations and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment. Franchisor shall have approved the Operations Manager as meeting its then-current qualifications for such position. If the Operations Manager ceases to serve in, or no longer qualifies for, such position, you shall designate another qualified person to serve as your Operations Manager within 30 days after the date the prior Operations Manager ceases to serve or no longer qualifies to serve. Any proposed replacement Operations Manager must successfully complete the initial training program and such other training (including food safety training) required by Franchisor, and be approved by Franchisor, before assuming his or her position as Operations Manager and, in no event, later than 90 days after the previous Operations Manager ceased to serve in such position.

6.2.1. Restaurant Manager. You may designate, with Franchisor's prior written consent, a Restaurant Manager to supervise Restaurant operations. In the event you designate, and Franchisor approves a Restaurant Manager for the Restaurant, the Restaurant Manager shall devote his or her full-time efforts to Restaurant operations and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment. The Operations Manager shall remain ultimately responsible for the Restaurant Manager's performance. The Restaurant Manager must attend and successfully complete Franchisor's initial training program and all additional training (including food safety training) that Franchisor requires, to Franchisor's satisfaction. Franchisor shall have approved the Restaurant Manager as meeting its then-current qualifications for such position. Any proposed replacement Restaurant Manager must successfully complete the initial training program and such other training (including food safety training) required by Franchisor, and be approved by Franchisor, before assuming his or her position as Restaurant Manager.

6.3. Employees. You shall maintain a competent, conscientious, and trained staff, and shall take such steps as are necessary to ensure that your employees render competent, prompt, courteous, and knowledgeable service in accordance with the Standards. You shall cause all employees, while working at the Restaurant, to present a neat and clean appearance and to wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time; and shall prohibit the wearing of such uniforms except during and within the scope of an employee's employment. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for you or your employees. You are exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and changing employee wages and benefits and work hours, and for disciplining and discharging your employees. You are exclusively responsible for labor relations with your employees.

6.4. Authorized Menu Offerings. You must offer and sell all menu items that Franchisor requires, and only those menu items that Franchisor has approved. You shall prepare, package, and serve all menu items in accordance with Franchisor's recipes and standards and its procedures for preparation, presentation, and service as communicated to you from time to time via the Manual or other written directives. Such standards and procedures may include, without limitation, adherence to recipes (including use of prescribed ingredients and prescribed measure of ingredients), use of containers and paper goods bearing the Marks, packaging procedures, product holding times, and other standards for displaying for sale menu items and other merchandise. You shall participate in all market research programs that Franchisor requires, which includes test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new products, and providing Franchisor with timely reports and test results for all such programs. You shall participate in all telephone, online, and other ordering programs developed for use by CRACK'D KITCHEN & COFFEE Restaurants, and pay all third-party fees required for such participation.

6.5. Purchase Requirements. You shall purchase and install, at your expense, all fixtures, furnishings, equipment, decor, signs, and other items as Franchisor may reasonably direct; and shall refrain from

installing or permitting to be installed on or about the Restaurant premises any fixtures, furnishings, equipment, decor, signs, vending, or game machines or other items not approved for use by Franchisor. In addition, you shall purchase and use only ingredients, containers, packaging materials, and supplies that conform to Franchisor's standards and specifications; and shall purchase, use, offer and/or promote the food and beverage products and other ingredients which are produced or manufactured in accordance with Franchisor's proprietary recipes, specifications and/or formulas or which Franchisor designates as "**Proprietary Products**." **Franchisor makes no warranty and expressly disclaims all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to services, products, equipment (including, without limitation, any required computer systems), supplies, fixtures, furnishings or other items approved or required for use in connection with your operation of the Franchised Business**.

6.6. Purchases from Designated Sources.

6.6.1. You shall purchase from Franchisor's approved or designated suppliers or distributors ("**Approved Suppliers**") all products and services necessary to construct and operate the franchised business, including ***(a)*** fixtures, furniture, equipment, signs, items of decor, audio/visual system, ***(b)*** proprietary and non-proprietary food products and ingredients, ***(c)*** all fountain and bottled beverages, ***(d)*** uniforms, shirts, and all merchandise and items intended for retail sale (whether or not bearing our Marks), ***(e)*** advertising, point-of-purchase materials, and other printed promotional materials, ***(f)*** gift certificates and stored value cards, ***(g)*** stationery, business cards, contracts, and forms, ***(h)*** bags, packaging, and supplies bearing our Marks, ***(i)*** insurance coverage, ***(j)*** architectural services, and ***(k)*** accounting and bookkeeping services. Franchisor shall communicate to you information about Approved Suppliers via the Manual or otherwise in writing. Franchisor may receive money or other benefits from Approved Suppliers based on your purchases; you agree that Franchisor has the right to retain and use all such benefits as it deems appropriate, in its sole discretion.

6.6.2. You may purchase items and services for which Franchisor has not identified Approved Suppliers from any source, so long as the items and services meet Franchisor's specifications. These specifications may include brand requirements ("**Approved Brands**"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands.

6.6.3. Franchisor may from time to time modify the list of Approved Suppliers and/or Approved Brands. You shall promptly comply with all such modifications.

6.6.4. Franchisor may approve one or more suppliers for any goods or materials and may approve a supplier only as to certain goods or materials. Franchisor may concentrate purchases with one or more suppliers or distributors to obtain lower prices and/or the best advertising support and/or services for any group of CRACK'D KITCHEN & COFFEE Restaurants or any other group of Restaurants franchised or operated by Franchisor or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by Franchisor. Franchisor may establish commissaries and distribution facilities owned and operated by Franchisor or an Affiliate that Franchisor may designate as an approved supplier. **Franchisor makes no representation concerning, and expressly disclaims any liability arising out of or in connection with, the services rendered, or products furnished by any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor.**

6.6.5. If you propose to purchase from a previously unapproved source, you shall submit to Franchisor a written request for such approval or shall request the supplier to submit a written request on its own behalf. Franchisor has no obligation to consider your request, but if it does, may condition its consideration on your providing requested information, on being granted access to inspect the supplier's

facilities, and/or delivery of samples to Franchisor and/or to an independent, certified laboratory Franchisor designates. Franchisor also shall have the right to impose a reasonable testing fee. Franchisor will notify you within 30 days of your request as to whether you are authorized to purchase such products from that supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval of any supplier upon the suppliers' failure to meet Franchisor's criteria for quality and reliability.

6.7. Franchised Location; Vehicles.

6.7.1. You shall maintain the Restaurant (including adjacent public areas) in a clean, orderly condition and in excellent repair and in accordance with Franchisor's standards. You shall, at your expense, make such additions, alterations, repairs, and replacements under this Agreement as may be required for that purpose, including, without limitation, such periodic repainting, repairing, and replacing of obsolete or deteriorated signs, furnishings, fixtures, equipment, and decor as Franchisor may reasonably direct. Upon Franchisor's request, you shall install and maintain at the Restaurant interactive multi-media equipment, devices, and facilities Franchisor requires, including, without limitation, approved surveillance systems, music systems, Wi-Fi, and other wireless Internet and communications systems, and interactive displays, including plasma or LCD screens. You must cause the Restaurant to play only the music or types of music that Franchisor designates. If a designated music provider has been identified, you must acquire music from such provider.

6.7.2 You shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks, or any other mechanical or electrical device to be installed or maintained at the Franchised Location.

6.7.3 You shall purchase and install, at your expense, all fixtures, furnishings, equipment, decor, signs, and other items as Franchisor may reasonably direct from time to time in the Manual or otherwise in writing in accordance with Franchisor's standards and specifications; and shall refrain from installing or permitting to be installed on or about the Franchised Location, any fixtures, furnishings, equipment, decor, signs, vending, or game machines or other items not previously approved in writing as meeting Franchisor's standards and specifications.

6.7.4 At Franchisor's request, but not more often than once every 60 months (and in addition to any work which you may undertake pursuant to other sections of this Agreement), you shall refurbish the Franchised Location, at your own expense, to conform to the building design, trade dress, color schemes, and presentation of the Marks in a manner consistent with the then-current public image for new or remodeled CRACK'D KITCHEN & COFFEE Restaurants in the System, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by law.

6.7.5 Any vehicle used in connection with the operation of the Restaurant shall be maintained in excellent condition and repair and shall meet Franchisor's standards and specifications.

6.8. Days and Hours of Operation. You shall cause the Restaurant to be open and in normal operation for such hours and days as Franchisor may specify in the Manual or in other written directives, and only during the hours and on the days that Franchisor permits.

6.9. Quality Assurance Inspections; Mystery Shops. Franchisor has the right to enter upon the Restaurant premises during regular business hours for purposes of conducting quality assurance audits and mystery shops and to assess customer satisfaction. During these inspections, Franchisor may obtain for testing purposes and without charge, reasonable quantities of ingredients, products and supplies. Such quality assurance audits, and mystery shops may be conducted by Franchisor personnel at Franchisor's expense, or by independent, third-party providers at your expense. At Franchisor's request, you shall engage one or

more third party service providers, which may be designated by Franchisor, to provide periodic quality assurance audits and/or mystery shops at your sole cost and expense.

6.10. Modification to the System. You shall at your own expense, make such alterations, additions, or modifications to the Franchised Location as Franchisor may reasonably require to accommodate changes made by Franchisor to the System, including, without limitation, changes to menu items or market positioning. You have 90 days from receipt of notice regarding re-imaging requirements in which to make the required alterations, additions, or modifications to the Franchised Location. You shall not implement any modification to the System without Franchisor's express prior written consent.

6.11. Pricing. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products or services.

6.12. Intranet/Extranet System. Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of the CRACK'D KITCHEN & COFFEE franchise network may communicate and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely and may dismantle it at any time without liability to you. Franchisor may establish policies and procedures for the intranet's use. Franchisor expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, Franchisor can access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to Franchisor under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, Franchisor may temporarily suspend your access to any chat room, bulletin board, listserv, or similar feature the intranet includes until such time as you fully cure the breach. Franchisor has the right to impose, and you shall pay at Franchisor's request if implemented, a reasonable user fee not to exceed $1,000 per year.

6.13. Website. Franchisor may, but shall not be obligated to, establish and maintain from time-to-time Franchisor's website to provide information about the System and the goods and services that CRACK'D KITCHEN & COFFEE provide. Franchisor has sole discretion and control over the design and content of Franchisor's website.

6.14. Social Media. You shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using social media in connection with your operation of the Restaurant and you will agree to any Social Media policy Franchisor implements. The term "**Social Media**" includes, without limitation, personal blogs, common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE, applications supported by mobile platforms such as iOS and Android, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites, mobile platforms, or tools.

6.15. Technology Risk. You acknowledge and agree that technology is constantly changing. Technologic devices and computer systems are always being updated, improved, replaced, and discontinued. Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, you assume all of the risk of all such issues and technology failures, which you acknowledge may affect your ability to order or receive products or to conduct business, and you acknowledge that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

6.16. Customer Privacy. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, you agree that you shall cause the Restaurant to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards ("**PCI**

DSS") council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act ("**FACTA**"), and all other data security requirements Franchisor may prescribe. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. You shall defend, indemnify and hold harmless Franchisor, Franchisor's affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees ("**Franchisor Indemnitee**") (from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including but not limited to notification and investigation expenses, reasonable attorneys' fees, the cost of enforcing any right to indemnification hereunder, and the cost of pursuing any insurance providers, arising out of or resulting from any third-party claim or investigation against any Franchisor Indemnitee arising out of or resulting from your failure to comply with any of yours obligations under this Section 6.16.

6.17. Best Efforts. You shall use your best efforts to promote and increase the sales and recognition of goods and services offered through the Franchised Business. You shall require all of your employees, managers, officers, agents and representatives to make a good faith effort to enhance and improve the System and the sales of all goods and services provided as part of the System.

6.18. Administrative Fee. If at any time your Franchised Business fails to conform to System requirements, Franchisor has the right to impose and collect from you an administrative fee as described in this Section 6.18 ("**Administrative Fee**"). Specifically, ***(a)*** Franchisor may impose and collect from you a $250 Administrative Fee for each "enforcement effort" that Franchisor undertakes on account of your noncompliance with System Standards (e.g., a letter, email, or telephone communication notifying you of noncompliance or continued noncompliance), and ***(b)*** if Franchisor has notified you of noncompliance and you have failed to correct the issue within seven days, Franchisor may impose and collect from you a $250 Administrative Fee per week until the issue has been corrected to our satisfaction. Franchisor also may impose and collect a $250 Administrative Fee if you fail to acknowledge receipt of Franchisor's communications to you, or to respond to Franchisor's communications within 24 hours of delivery. This fee is not a penalty but is intended to compensate Franchisor for the additional costs that it incurs in enforcing your compliance with System Standards and is in addition to and not in lieu of any other rights or remedies that Franchisor may have based on your noncompliance with System Standards. Franchisor may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that constitutes a material default of your obligations under this Agreement and, if it is, whether or not a cure period applies. At Franchisor's option, Franchisor may require you to demonstrate full compliance with your obligations by submitting to Franchisor a comprehensive walk-through video of your Franchised Business' premises in accordance with our Standards.

7. MARKS AND COPYRIGHTS

7.1. Franchisor's Representations. Franchisor represents to you that it has the right to use and to sublicense to you the right to use the Marks in accordance with the terms and conditions of this Agreement.

7.2. Acknowledgments. You acknowledge that Franchisor or its Affiliate owns all right, title, and interest in and to the Marks and the goodwill associated with the Marks, and that you have no ownership interest in the Marks. You further acknowledge and agree that any and all goodwill associated with the Restaurant and identified by the Marks is Franchisor's property and shall inure directly and exclusively to the benefit of Franchisor and that, upon the expiration or termination of this Agreement for any reason, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks. You understand and agree that any use of the Marks other than as expressly authorized by this Agreement, without Franchisor's prior written consent, may constitute an infringement of Franchisor's rights herein and that the right to use the Marks granted herein does not extend beyond the termination or expiration of this Agreement.

7.3. Use of the Marks. You shall use only the Marks designated by Franchisor, shall use them only in the manner that Franchisor authorizes and permits, and shall use them with the symbols "®", "™", or "SM", as appropriate. You shall use the Marks only in connection with the operation and promotion of the Franchised Business, and only in the manner prescribed by Franchisor. You may not contest ownership or validity of the Marks or any registration thereof or engage in any conduct that adversely affects the ownership or registration of the Marks, or Franchisor's right to use or to sublicense the use of the Marks. You shall execute all documents that Franchisor requests in order to protect the Marks or to maintain their validity and enforceability.

7.4. Restriction Against Use in Your Legal Name. You may not use the Marks or any part thereof in your legal name and may not use them to incur any obligation or indebtedness on Franchisor's behalf. You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents necessary to obtain protection of the Marks or to maintain their continued validity and enforceability.

7.5. Restriction Against Use of the Marks and Copyrighted Works on the Internet. You may not use the Marks or any part or derivative thereof or any of Franchisor's Copyrighted Works on the Internet, except as expressly permitted in writing. Without limiting the generality of the foregoing, you may not use the Marks or any part or derivative of the Marks as part of any URL or domain name, and may not register the Marks or any part or derivative of the Marks as part of any user name on any gaming website or social networking website (such as FACEBOOK, INSTAGRAM, or TWITTER), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address. You also may not display on any website (including commercial websites, gaming websites, and social networking websites) Franchisor's Copyrighted Works, which include the design portion of its Marks, or any menu items or collateral merchandise identified by the Marks.

7.6. Notice. You shall identify yourself as an independent franchise owner of the Franchised Business in conjunction with any use of the Marks or operation of the Franchised Business, including, but not limited to, such use on invoices, order forms, receipts, business stationery, business cards, and contracts, as well as at such conspicuous locations at the Restaurant as Franchisor may designate in writing. The form and content of such notice shall comply with the standards set forth in the Manuals.

7.7. Infringement. You shall promptly notify Franchisor of any suspected unauthorized use of, or any challenge to the validity of the Marks, Copyrighted Works, or any challenge to Franchisor's or its Affiliate's ownership of, Franchisor's license to use and to license others to use, or your right to use, the Marks or Copyrighted Works licensed under this Agreement. You acknowledge that Franchisor or its Affiliate has the right to direct and control any administrative proceeding or litigation, or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement thereof. Franchisor or its Affiliate has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks or Copyrighted Works. Franchisor shall defend you against any third-party claim, suit, or demand arising out of your use of the Marks or Copyrighted Works. If Franchisor, in its sole discretion, determines that you have used the Marks and Copyrighted Works in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor, in its sole discretion, determines that you have not used the Marks and Copyrighted Works in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Marks or Copyrighted Works, you shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks or Copyrighted Works in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse you for your associated costs.

7.8. Changes to the Marks. Franchisor reserves the right, in its sole discretion, to designate one or more new, modified, or replacement Marks for your use and to require your use of any such new, modified, or replacement Marks in addition to or in lieu of any previously designated Marks. You must comply with any such directive within 60 days following your receipt of Franchisor's written notice to you.

8. SYSTEM, MANUALS AND INFORMATION

8.1. Manuals. Franchisor will provide you access to the Manuals, which may be in electronic format. You shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manuals. The Manuals shall at all times remain the sole property of Franchisor. You shall ensure that your copy of the Manuals is kept current at all times, and in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall be controlling. If your copy of the Manual is lost or destroyed, or if you fail to return the Manual upon expiration or termination of this Agreement, you must pay Franchisor a $250 Manual replacement fee.

8.2. System Modification. You acknowledge that the System, the Manuals, and the products and services offered by the Franchised Business may be modified, (such as, but not limited to, the addition, deletion, and modification of menu items, operating procedures, products and services) from time to time by Franchisor. You agree to comply, at your expense, with all such modifications, including, without limitation, all requirements to implement the modifications, such as replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements, including structural changes. Franchisor shall notify you of any such System changes and you shall implement any System changes upon receipt of notice thereof from Franchisor and shall complete their implementation within such time as Franchisor may reasonably specify. For purposes of this Agreement, System changes shall include, without limitation, changes in any of the categories referred to in this Section 8.2.

8.3. Confidentiality. You shall maintain the confidentiality of all Confidential Information. You shall use Confidential Information only in connection with the operation of the Franchised Business and shall divulge Confidential Information only to your employees and only on a need-to-know basis.

9. ADVERTISING AND MARKETING

9.1. General. All of your promotional and marketing materials shall be presented in a dignified manner and shall conform to Franchisor's standards and specifications related to advertising, marketing, and trademark use. You shall submit to Franchisor samples of proposed promotional and marketing materials, and notify Franchisor of the intended media, before first publication or use. Franchisor shall use good faith efforts to approve or disapprove proposed promotional and marketing materials within 10 days of their receipt. You may not use the promotional or marketing materials until Franchisor expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. Franchisor may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval.

9.2. Opening Day Promotion and Initial Marketing Campaign. Within the first 90 days after the Restaurant opens for business, you must conduct a grand opening advertising campaign that conforms to the Standards.

9.3. Brand Development Fund. Franchisor may establish a Brand Development Fund ("**Fund**"). If the Fund is established, Franchisee will be required to contribute to the Fund an amount that Franchisor determines from time to time, not to exceed the amount stated on the Summary Page.

9.3.1. Franchisor has the right to use Fund monies, in its sole discretion, to pay for creative development services (including creation and modification of design and trade dress, logos, menu design, graphics and vehicle wraps, and advertising and promotional items, including the cost of photography services and design software), preparing and procuring market studies, providing or obtaining marketing

services (including, without limitation, new product development; conducting customer surveys, focus groups, and marketing-related mystery shops and customer interviews); employing advertising and/or public relations agencies; developing, producing, distributing and placing advertising (including, without limitation, preparing and conducting media advertising campaigns in various media, local advertising and promotion in a particular area or market, or for the benefit of a particular Restaurant or Restaurants in connection with opening promotions or otherwise), conducting and administering in-store promotions; preparing and executing direct mail advertising, and developing, producing and purchasing point-of-sale advertising, menus and menu boards, and other sales aids and promotional items and materials); new product development and development of product packaging; developing, updating and hosting Franchisor's web site (including development of locator programs) and/or an intranet or extranet system; obtaining sponsorships and endorsements; preparing and conducting sweepstakes and other promotions; developing, administering, and distributing coupons, gift certificates, gift cards, and stored value cards, and the cost of product associated with the redemption of free coupons, gift certificates, and stored value cards; developing and administering other customer loyalty programs; providing and procuring public relations services; conducting public relations activities; charitable donations; and membership fees in international, national, regional, and/or local trade or other associations or organizations. Franchisor also may use Fund monies to reimburse itself for its costs of personnel and other administrative and overhead costs associated with providing the services described in this Section.

9.3.2. The parties acknowledge that Franchisor owns all rights, and retains all copyrights, in all design and content developed using Fund monies, and that Franchisor will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with Fund monies, and the allocations of Fund monies to production, placement, and other costs. Franchisor will own all copyright in any works created using Fund monies. Franchisee acknowledges and agrees that Franchisor is not obligated to expend Fund monies for placement of advertising in Franchisee's trading area, or to ensure that the Franchised Business benefits directly or pro rata from the expenditure of Fund monies. We will not use Fund monies for creating or placing any advertisement that is principally a solicitation for new franchisees, but we may include in all advertising prepared using Fund monies (including Internet advertising) information concerning franchise opportunities, and a portion of Fund monies may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates. Any amounts contributed to the Fund that are not spent in the year they are collected will remain in the Fund for use during the next year. Franchisor has no fiduciary duty to Franchisee or to any other person with respect to the collection or expenditure of Fund monies. Upon Franchisee's reasonable request, Franchisor will provide Franchisee an annual statement of Fund contributions and expenditures.

9.3.3. Although the Brand Development Fund is intended to be perpetual, Franchisor may terminate the Fund at any time. The Fund will not be terminated, however, until all Fund monies have been spent as provided in this Section 9.3.3. or returned to the Fund contributors on the basis of their respective contributions. Any amounts contributed to the Fund that are not spent in the year they are collected will remain in the Fund for future expenditures.

9.4. Local Marketing Expenditure. Each year, you shall spend the Local Marketing Expenditure amount set forth in the Summary Pages for Restaurant marketing purposes that conform to Franchisor's standards. At Franchisor's request, you must submit to Franchisor invoices and other documentation that reflects your compliance with this Section 9.4. Any amounts contributed to an Advertising Cooperative pursuant to Section 9.5., below, will be credited toward satisfaction of your Local Marketing Expenditure.

9.5. Advertising Cooperatives.

9.5.1. Franchisor may, from time to time, form local or regional advertising cooperatives ("**Advertising Cooperative**") to pay for the development, placement, and distribution of advertising for the benefit of Restaurants located in the geographic region served by the Advertising Cooperative. Any

Advertising Cooperative established by Franchisor will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

9.5.2. If Franchisor forms an Advertising Cooperative for the region in which the Restaurant is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 9.5.

9.5.3. Franchisor has the exclusive right to create, dissolve, and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto, provided that such documents shall: ***(a)*** operate by majority vote, with each CRACK'D KITCHEN & COFFEE (including Restaurants owned by Franchisor or its Affiliates) entitled to one vote; ***(b)*** entitle Franchisor to cast one vote (in addition to any votes it may be entitled to on account of its operation of Restaurants in the area served by the Advertising Cooperative); ***(c)*** permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions; and ***(d)*** provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination.

9.5.4. You agree to be bound by all organizational and governing documents created by Franchisor and, at Franchisor's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by Franchisor.

9.5.5. No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without Franchisor's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to Franchisor for approval according to the procedures set forth in Section 9.1. of this Agreement.

9.6. Loyalty Programs, Prize Promotions, Meal Deals, and Promotional Literature.

9.6.1. You shall participate in and offer to your customers: ***(a)*** all customer loyalty and reward programs; ***(b)*** all contests, sweepstakes, and other prize promotions; and ***(c)*** all meal deals, which Franchisor may develop from time to time. Franchisor will communicate to you in writing the details of each such program, promotion, and meal deal, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Restaurant as Franchisor may designate. You shall purchase and distribute all coupons, clothing, toys, and other collateral merchandise (and only the coupons, clothing, toys, and collateral merchandise) designated by Franchisor for use in connection with each such program, promotion, or meal deal.

9.6.2. If Franchisor develops or authorizes the sale of gift certificates and/or stored value cards, loyalty cards, and/or customized promotional receipts, you shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and stored value cards belong exclusively to Franchisor, and you shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to you (at Franchisor's option) the redeemed value of gift cards and stored value cards accepted as payment for products and services sold by the Restaurant. You shall be responsible for all processing fees associated with gift cards and stored value cards.

9.6.3. You also shall display at the Restaurant all promotional literature and information as Franchisor may reasonably require from time to time. This may include, among other things, displaying signage or other literature containing information about the CRACK'D KITCHEN & COFFEE franchise offering.

9.7. Participation in Marketing Programs. You shall participate in and offer to your customers: ***(a)*** all customer loyalty and reward programs; ***(b)*** all contests, sweepstakes, and other prize promotions; and ***(c)*** all meal deals, which Franchisor may develop from time to time. Franchisor will provide you the details of

each such program, promotion, and meal deal, you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Restaurant as Franchisor specifies. You shall purchase and distribute all coupons and collateral merchandise that Franchisor designates for use in connection with each such program, promotion, or meal deal.

9.8. Web Site. Franchisor shall maintain a web site on the Internet to, among other things, advertise and promote the CRACK'D KITCHEN & COFFEE System. Franchisor shall also maintain a presence of your Restaurant on the web site, subject to your continued compliance with the System and the provisions of this Agreement. You may not establish any independent web site on your behalf.

10. POS SYSTEM; ACCOUNTING AND RECORDS; TAXES

10.1. POS System. You shall acquire and use only the point-of-sale cash registers and computer systems and equipment that Franchisor prescribes for use by CRACK'D KITCHEN & COFFEE Restaurants ("**POS System**") and adhere to Franchisor's requirements for use. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high-speed Internet connections. Franchisor may, in its sole discretion, require you to add to your POS System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, and replace or upgrade your POS System and software as Franchisor prescribes. Franchisor shall provide you 90 days advance written notice of any change to its POS System requirements. You shall acquire, install, and maintain such anti-virus and anti-spyware software as Franchisor requires and shall adopt and implement such Internet user policies as Franchisor may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with operation of the POS System.

10.2. Software. You shall: ***(a)*** use any proprietary software programs, system documentation manuals, and other proprietary materials that Franchisor requires in connection with the operation of the Restaurant; ***(b)*** input and maintain in your computer such data and information as Franchisor prescribes in the Manual, software programs, documentation, or otherwise; and ***(c)*** purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever Franchisor adopts such new or upgraded programs, manuals, and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner Franchisor prescribes, and pay all fees imposed thereunder.

10.3. Independent Access. Franchisor may independently poll Gross Revenues and other information input and compiled by your POS System from a remote location. There is no limitation on Franchisor's right to access this information.

10.4. Maintenance of Records. You shall prepare and preserve for at least five years from the date of preparation complete and accurate books, records, and accounts according to generally accepted accounting principles and in the form Franchisor prescribes.

10.5. Submission of Financial Statements and Tax Returns. No later than the tenth business day following the end of each Accounting Period, you shall provide to Franchisor a copy of the Accounting Period's profit and loss statement. In addition, no later than March 30 of each calendar year, you shall provide to Franchisor: ***(a)*** a copy of the previous year's annual profit and loss statements; ***(b)*** a copy of the previous year's sales tax returns; and ***(c)*** a copy of your federal and state income tax returns for the previous year; provided, however, that if you are an individual franchisee, you may submit only those schedules to your personal tax returns which reflect the revenues and expenses of the Franchised Business.

10.6. Submission of Performance Reports. You shall accurately report to Franchisor the Restaurant's Gross Revenues and such other financial information, as Franchisor may reasonably require, using the procedures and Franchisor prescribes periodically. Reports shall be due on the date prescribed by Franchisor, and shall be signed by an authorized representative, attesting to their accuracy. Within 30 days following the end of each fiscal quarter, you shall provide to Franchisor a copy of your profit and loss statements prepared according to generally accepted accounting principles and which accurately reflect

your financial information for the applicable Accounting Periods. You also shall provide to Franchisor such other reports, computer back-up and other information that Franchisor may reasonably request.

10.7. Audit of Franchisee Records. Franchisor or its designated agent has the right to audit, examine, and copy your books, records, accounts, and business tax returns at any time. If an inspection or audit reveals underpayment of amounts owed to Franchisor, you shall immediately pay the understated amount with interest as provided in Section 4.9. If an audit or inspection reveals your understatement of Gross Revenues by 2% or more for any Accounting Period then, in addition to amounts due on the understatement and interest, you shall promptly reimburse Franchisor all costs and expenses that it incurred in connection with performing the audit or inspection (including travel, lodging and wage expenses, and attorneys' and accountants' fees).

10.8. Use of Financial Information in Franchise Disclosure Document. You acknowledge and agree that it may be in the best interest of the franchise system to share historical revenue and expense information with prospective franchisees. To that end, you hereby authorize Franchisor to publish information concerning the Restaurant's Gross Revenues and other information reported to Franchisor in its franchise disclosure document.

10.9. Taxes. You shall promptly pay all taxes due and owing based on your operation of the Restaurant and the Franchised Business including, without limitation, sales taxes, income taxes, and property taxes.

11. INDEPENDENT CONTRACTOR, INSURANCE AND INDEMNIFICATION

11.1. Independent Contractor. The parties acknowledge and agree that you are operating the Franchised Business as an independent contractor. Nothing contained in this Agreement shall create or be construed to create a partnership, joint venture, or agency relationship between the parties. Neither party has any fiduciary obligations to the other or will be liable for the debts or obligations of the other. Neither party may bind the other, transact business in the other party's name or in any manner make any promises or representations on behalf of the other party, unless otherwise agreed between them. You shall conspicuously identify yourself and the Franchised Business in all dealings with your customers, contractors, suppliers, public officials, and others, as an independent franchisee of Franchisor, and shall place a conspicuous notice, in the form and at such place as Franchisor prescribes, notifying the public of such independent ownership.

11.2. Insurance Obligations.

11.2.1. You shall maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies meeting Franchisor's minimum insurance requirements. Each such policy shall be written by an insurance with an A.M. Best rating of not less than A-VII, shall be primary and non-contributory to any insurance carried by Franchisor or its Affiliates., and shall contain a waiver of subrogation in favor of Franchisor and its Affiliates.

11.2.2. Such policies shall include, at the minimum, the following: ***(a)*** property insurance written on a replacement cost basis equal to 100% of value, including building interruption insurance on an actual loss sustained basis or coverage equal to one year's Gross Revenue; ***(b)*** umbrella liability insurance with minimum limits of $1,000,000 in excess of the general liability, auto liability, and employer's liability, naming Franchisor as additional insured ***(c)*** general liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 in the aggregate including products liability insurance coverage, with additional insured endorsement naming Franchisor; ***(d)*** employment practices liability including third party claims with minimum limits of $1,000,000, naming Franchisor as co-defendant (limit applies per policy); ***(e)*** auto liability for all owned, non-owned and hired vehicles used in the Franchised Business with minimum $1,000,000 combined single limit liability and $2,000,000 aggregate, per location, and naming Franchisor as an additional insured; ***(f)*** umbrella liability with minimum limits of $1,000,000 in excess of the general liability, auto liability, and employer's liability policies, naming Franchisor as additional insured; ***(g)*** worker's compensation with statutory limits for the state in which workers are employed,

including employer's liability with minimum limits of $500,000/$500,000/$500,000 and the Alternate Employer's endorsement in Franchisor's favor; ***(h)*** cyberliability and data breach coverage with minimum limits of $1,000,000. You also must maintain Builder's Risk insurance during the construction phase, naming Franchisor as an additional insured on all liability policies from contractors and sub-contractors and general liability policy during the construction phase.

11.2.3. Franchisor has the right to increase or modify required minimum coverages and types of required insurance coverage, at any time.

11.2.4. Your obligation to obtain and maintain insurance is not limited in any way by reason of any insurance maintained by Franchisor, and your compliance with minimum insurance requirements will not relieve you of your indemnification obligations under Section 11.3 of this Agreement.

11.2.5. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee has the right (but is not required) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium and pay a reasonable administrative fee.

11.2.6. At least 10 days prior to the time you are first required to carry insurance, and thereafter at least 30 days prior to the expiration of any policy, you shall deliver to Franchisor a certificate of insurance evidencing your compliance with this Article 11. Each certificate of insurance shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of material alteration to or cancellation or non-renewal of the coverages evidenced by such certificates.

11.2.7. If you fail to procure or maintain these minimum insurance requirements, Franchisor or its designee has the right (but is not required) to procure such insurance on your behalf. Such right shall be in addition to and not in lieu of any other rights or remedies available to Franchisor. If this occurs, you shall reimburse Franchisor the cost of the premium upon demand plus the administrative fee described above.

11.3. Indemnification. You shall indemnify and hold harmless to the fullest extent by law, Franchisor, its Affiliates, and their respective directors, officers, employees, shareholders, and agents, (collectively, "**Indemnitees**") from any and all "**losses and expenses**" (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof arising out of or related to your operation of the Franchised Business including, but not limited to, claims arising as a result of the maintenance and operation of vehicles or the Franchised Location ("**Event**"), and regardless of whether same resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnity shall not apply to any liability arising from the gross negligence of Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided in this Agreement shall extend to any finding of comparative negligence or contributory negligence attributable to you). For the purpose of this Section 11.3, the term "**losses and expenses**" includes compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You shall give Franchisor prompt notice of any Event of which you are aware, for which indemnification is required, and, at your expense and risk, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement thereof, provided that Franchisor will seek your advice and counsel. Any assumption by Franchisor shall not modify your indemnification obligation. Franchisor may, in its sole and absolute discretion, take such actions as it seems necessary and appropriate to investigate, defend, or settle any Event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole and absolute discretion, necessary for the protection of the Indemnities or the System.

12. TRANSFER OF INTEREST

12.1. Transfer by Franchisor. Franchisor may transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity. With respect to any assignment which results in the subsequent performance by the assignee of all of Franchisor's obligations under this Agreement, the assignee shall expressly assume and agree to perform such obligations and shall become solely responsible for all of Franchisor's obligations under this Agreement from the date of assignment. In addition, and without limitation to the foregoing, you expressly affirm and agree that Franchisor and/or its Affiliates may sell their assets, the Marks, the Copyrighted Works, or the System; may sell securities in a public offering or in a private placement; may merge, acquire other corporations, or be acquired by another corporation; and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof), the Copyrighted Works and System and/or the loss of association with or identification of Crackdbrands, LLC as the franchisor under this Agreement. You specifically waive any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing. You agree that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as a CRACK'D KITCHEN & COFFEE Restaurant operating under the Marks, the Copyrighted Works or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be proximate to the Franchised Business).

12.2. Transfer by Individual Franchisee to Business Entity for Convenience. If you are an individual, you may transfer your interest in this Agreement to a Business Entity for convenience of operation within the first 12 months of this Agreement by signing Franchisor's standard form of assignment and assumption agreement if: ***(a)*** the Business Entity is formed solely for purposes of operating the Franchised Business; ***(b)*** you provide to Franchisor a copy of the Business Entity's formation and governing documents and a certificate of good standing from the jurisdiction under which the Business Entity was formed; ***(c)*** you sign a general release in favor of Franchisor and in the form Franchisor requires; ***(d)*** all holders of a legal or beneficial interest in the Business Entity has signed a Guaranty and Personal Undertaking in the form of Attachment D-1; and ***(e)*** you pay to Franchisor a Transfer Fee in the amount set forth in the Summary Pages.

12.3. Transfer Among Owners; Transfer of Non-Controlling Interest. If you are a Business Entity, your Owners may transfer their ownership interests in the Business Entity among each other, and may transfer up to a Non-Controlling Interest in the Business Entity to one or more third parties, if: ***(a)*** you have provided to Franchisor advance notice of the transfer, ***(b)*** Attachment C has been amended to reflect the new ownership; ***(c)*** each new Owner has signed a Guaranty and Personal Undertaking in the form of Attachment D-1; ***(d)*** each previous and/or new Owner has signed a general release in favor of Franchisor and in the form Franchisor requires; and ***(e)*** you pay to Franchisor a Transfer Fee in the amount set forth in the Summary Pages.

12.4. Transfer of Agreement; Transfer of the Franchised Business; Transfer of Controlling Interest. All other transfers (including any sale or transfer of your interest in this Agreement, the sale or transfer of all or substantially all of the assets of the Restaurant, and the sale of a Controlling Interest in you if you are a Business Entity) require Franchisor's prior written consent. Franchisor will not unreasonably withhold its consent to a transfer, but may condition its consent on satisfaction of any or all of the following:

12.4.1. Your written request for consent in writing and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor's

determination, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of the Franchised Business.

12.4.2. The transferee has demonstrated to Franchisor's satisfaction that the transferee meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business (which condition shall be presumed if the transferee's net worth is equal to or exceeds your net worth at the time of transfer, excluding the value of the Franchised Business);

12.4.3. All of your accrued monetary obligations and all other outstanding obligations to Franchisor, its Affiliates, and third-party suppliers shall be up to date, fully paid and satisfied, and you must be in full compliance with this Agreement and any other agreements between you and Franchisor, its Affiliates and your suppliers;

12.4.4. You or the transferee shall have agreed to refurbish the Restaurant premises so that it meets Franchisor's image requirements for new CRACK'D KITCHEN & COFFEE Restaurants;

12.4.5. You and each Owner have executed a general release and covenant not to sue, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of the Franchise; provided, however, that any release will not be inconsistent with any state law regulating franchising;

12.4.6. You agree to remain liable for all direct and indirect obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, shall continue to remain responsible for your obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration or transfer, and shall execute any and all instruments reasonably requested by Franchisor to further evidence such obligation;

12.4.7. Payment of the Transfer Fee in the amount set forth in the Summary Pages;

12.4.8. The transferee's execution of Franchisor's then-current form of franchise agreement, the terms of which may be materially different than the terms of this Agreement and may include, among other things, a different percentage royalty fee and different advertising obligations. The term of such agreement shall be the remaining term of this Agreement at the time of transfer. The transferee shall have the option, however, to purchase a longer term (not to exceed a total of 10 years) by paying an extended term fee ("**Extended Term Fee**"). The Extended Term Fee will be calculated as Franchisor's then-current initial franchise fee divided by the number of days included in the initial term of the then-current franchise agreement, multiplied by the number of days of additional term being purchased by the transferee;

12.4.9. If the transferee is a Business Entity, then the transferee's Owners each shall sign Franchisor's standard form of Guaranty and Personal Undertaking;

12.4.10. You or the transferee must provide Franchisor with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in Franchisor's sole judgment, the post transfer viability of the Franchised Business;

12.4.11. The transferee shall have complied with Franchisor's then-current initial training requirements;

12.4.12. You have complied with the requirements set forth in Section 12.8.; and

12.4.13. If Franchisor introduced the buyer to you, you have paid all fees due Franchisor under its then-current franchise resale policy or program.

12.5. Transfers Void. You understand and acknowledge that Franchisor has entered into this Agreement in reliance on your business skill, financial capacity, personal character, and experience. Accordingly, you may not sell or transfer your interest in this Agreement or the assets of the Franchised Business (except in the ordinary course of your business) without Franchisor's prior written consent. In addition, if you are a Franchised Business Entity, no Owner may transfer or assign his or her equity interest in the Franchised Business Entity without Franchisor's prior written consent. Any purported transfer, by operation of law or otherwise, made without Franchisor's prior written consent will be considered null and void and will be considered a material breach of this Agreement.

12.6. Security Interest. You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without Franchisor's consent.

12.7. Public Offerings. If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain Franchisor's written consent, which consent shall not be unreasonably withheld. You must provide to Franchisor for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of your securities, and Franchisor's review of any offering shall be limited to ensuring compliance with the terms of this Agreement. Franchisor may condition its approval on satisfaction of any or all of the conditions set forth in Section 12.4 and on execution of an indemnity agreement, in a form prescribed by Franchisor, by you and any other participants in the offering. For each proposed offering, you shall pay to Franchisor a retainer in an amount determined by Franchisor, which Franchisor shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

12.8. Right of First Refusal.

12.8.1. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business in connection with the transferee's execution of a CRACK'D KITCHEN & COFFEE Franchise Agreement, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and if you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer.

12.8.2. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: ***(a)*** the closing date specified in the third-party offer; or ***(b)*** within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 12.8. shall not constitute a waiver of any of the transfer conditions set forth in this Article 12.

12.9. Transfer Upon Death or Incapacitation. Upon the death or permanent incapacity (mental or physical) of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six months after such death or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject

to the same conditions as an *inter vivos* transfer, except that the transfer fee shall be waived. In the case of transfer by devise or inheritance, however, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section 12.9., the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within six months, which disposition shall be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of within such period, Franchisor may, at its option, terminate this Agreement, pursuant to Section13.5.

12.10. Non-Waiver of Claims. Franchisor's consent to a transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of Franchisor's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which Franchisor's and the transferee are parties, by the transferee.

13. DEFAULT AND TERMINATION

13.1. Termination In the Event of Bankruptcy or Insolvency. You will be in default under this Agreement, and all rights granted to you in this Agreement shall automatically terminate without notice, if you become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed and against you and you do not oppose it; if you are adjudicated as bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver for you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law is instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Franchised Location premises or assets or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.

13.2. Termination with Notice and Without Opportunity to Cure. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of notice without opportunity to cure if: ***(a)*** you, your Operations Manager, or your Restaurant Manager fails to successfully complete training; ***(b)*** you fail to open the Restaurant for business by the Opening Date or within 10 months after the Effective Date, whichever occurs sooner; ***(c)*** you abandon the Franchised Business (which will be presumed if you cease operations for three consecutive days or more); ***(d)*** you lose any license required to operate the Franchised Business or you lose your right to occupy the Restaurant premises; ***(e)*** you or any Owner is convicted of, or pleads no contest to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System; ***(f)*** there is any transfer or attempted transfer in violation of Article 12 of this Agreement; ***(g)*** you or any Owner fails to comply with the confidentiality or noncompete covenants in this Agreement; ***(h)*** you or any Owner has made any material misrepresentations in connection with your franchise application; ***(i)*** you fail to comply with notification requirements set forth in Sections 6.1.(d) or (e) concerning investigations and Crisis Management Events; ***(j)*** you understate any payment to Franchisor by 2% or more, or understate any such payment in any amount, twice in any two-year period; ***(k)*** if an imminent threat or danger to public health or safety results from the operation of the Franchised Business; ***(l)*** you knowingly maintain false books or records or submit any false reports or statements to Franchisor; ***(m)*** you offer unauthorized products or services from the Restaurant premises or in conjunction with the Marks or Copyrighted Works; ***(n)*** purchase items for which Franchisor has identified Approved Suppliers from an unapproved source; ***(o)*** failure to pass two or more quality assurance inspections within any rolling 12-month period; or ***(p)*** Franchisor delivers to you three or more written notices of default pursuant to this Article 13 within any rolling 12-month period, regardless of whether or not the defaults described in such notices ultimately were cured.

13.3. Termination with 10-Day Cure Period. Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure the following defaults within 10 days after delivery of written notice: ***(a)*** failure to obtain or maintain required insurance coverage; ***(b)*** failure to pay any amounts due to Franchisor; ***(c)*** you fail to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); ***(d)*** you fail to pay any amounts for which Franchisor has advanced funds for or on your behalf, or upon which Franchisor is acting as guarantor of your obligations; ***(e)*** your violation of any provision of this Agreement concerning the use and protection of the Marks or Copyrighted Works; or ***(f)*** your violation of any provision of this Agreement concerning the preparation, service, appearance or quality of CRACK'D KITCHEN & COFFEE products.

13.4. Termination with 30-Day Cure Period. Except as otherwise provided in this Article 13, Franchisor has the right to terminate this Agreement, which termination will become effective upon delivery of written notice of termination, if you fail to cure any curable default within 30 days after delivery of written notice.

13.5. Termination Related to Death or Permanent Incapacity. Franchisor has the right to terminate this Agreement if an approved transfer as required by Section 12.9 is not effected within the designated time frame following a death or permanent incapacity (mental or physical).

13.6. Cross-Default. Any default under any agreement between you and Franchisor or its Affiliates, and failure to cure within any applicable cure period, shall be considered a default under this Agreement and shall provide an independent basis for termination of this Agreement.

13.7. Step In Rights. To prevent any interruption of the business of the Restaurant, and any injury to the goodwill and reputation to the System which may be caused thereby, you hereby authorize Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Restaurant on your behalf for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement, in the event that: ***(a)*** your Operations Manager is absent or incapacitated by reason of illness, death or disability and, therefore, in Franchisor's sole determination, you are not able to operate the Restaurant in full compliance with this Agreement; ***(b)*** any allegation or claim is made against your or any of your principals, or the operation of the Restaurant, involving or relating to fraudulent, deceptive or illegal practices or activities; or ***(c)*** Franchisor determines that operational problems require Franchisor to operate your Restaurant for a period of time to maintain the operation of the business as a going concern. If Franchisor undertakes to operate the Restaurant pursuant to this Section 13.7., Franchisor shall have the right to collect and pay from the revenues of the Restaurant all operating expenses including, without limitation, Royalty Fees, Advertising Fees, and employee salaries, and further shall be entitled to collect, as compensation for its efforts, a reasonable management fee of up to 10% of Gross Revenue. You shall indemnify and hold harmless Franchisor from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives. Nothing contained herein shall prevent Franchisor from exercising any other right which Franchisor may have under this Agreement, including, without limitation, termination.

13.8. Additional Remedies. In addition to, or in lieu of, termination of this Agreement, in its sole discretion, Franchisor may require the Restaurant be closed during any cure period relating to a default based on public health and safety concerns.

14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

14.1. Cease Use of Marks; Copyrighted Works; Cancellation of Fictitious Name; Assignment of E-mail Addresses, URLs, Domain Names, Internet Listings. You shall immediately cease all use of the Marks, Copyrighted Works, and Confidential Information. You shall cancel any assumed name registration containing the Marks. You shall, at Franchisor's option and request, assign to Franchisor all rights to all e-mail addresses, URLs, domain names, Internet listings, and Internet accounts related to the Franchised Business. You hereby appoint Franchisor as your attorney-in-fact with full power and authority for the sole

purpose of assigning these rights to Franchisor. This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect until the termination or expiration of this Agreement.

14.2. Assignment of Lease; De-Identification. At Franchisor's request, you shall assign to Franchisor or its designee your interest in the lease, including your interest in all leasehold improvements, without additional compensation. If Franchisor does not request assignment of the lease before or as of the date of expiration or termination of this Agreement, then within 10 days after termination or expiration of this Agreement, you shall modify the Restaurant premises (including, without limitation, the changing of the color scheme and other distinctive design features, and the changing of and assigning to Franchisor of, the telephone numbers) as may be necessary to distinguish the appearance of the Franchised Location from that of other CRACK'D KITCHEN & COFFEE Restaurants, and shall make such specific additional changes to the Franchised Location as Franchisor may reasonably request for that purpose. If you to fail de-identify the Restaurant premises within a reasonable time, you hereby grant a license to Franchisor's personnel and designees to enter upon the Restaurant premises and take all actions necessary to de-identify the premises as a CRACK'D KITCHEN & COFFEE Restaurant including, without limitation, removing all signage, advertising materials, trade dress, displays, proprietary equipment, and Proprietary Products, and any other items which display the Marks or reflect Franchisor's trade dress. Franchisor may charge a reasonable fee for its services; you agree to pay the fee on demand and to reimburse Franchisor for all de-identification related costs that it incurred.

14.3. Return of Manuals and Other Confidential Information. You shall immediately deliver to Franchisor the Manuals and all other manuals, records, correspondence, files, and any instructions containing Confidential Information relating to the operation of the Franchised Business which are in your possession; and all copies thereof (all of which are acknowledged to be the property of Franchisor).

14.4. Franchisor's Right to Purchase Fixtures and Tangible Assets. Franchisor has the option to purchase your interest (if any) in any or all of the Restaurant's leasehold improvements, furniture, fixtures, equipment, inventory, supplies, and interior and exterior signs for a purchase price equal to the lesser of your cost or then-current fair market value, to be determined by a qualified independent third-party of Franchisor's choosing, and may set off against the purchase price any amounts that you owe to Franchisor. Franchisor shall exercise its option by written notice to you delivered before or within 30 days after the date of expiration or termination of this Agreement.

15. COVENANTS

15.1. Non-Competition During Term of Agreement. You and each Owner acknowledge that you and each Owner will receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques and trade secrets of Franchisor and the System. You and each Owner covenant and agree that during the term of this Agreement, except as otherwise approved in writing by Franchisor, you and, if applicable, such Owner, shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, or legal entity:

15.1.1. Divert or attempt to divert any present or prospective customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

15.1.2. Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or otherwise directly or indirectly induce such person to leave his or her employment.

15.1.3. Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business, other than a CRACK'D KITCHEN & COFFEE Restaurant operated pursuant to a then-currently effective franchise agreement with Franchisor at any location within the United States,

its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

15.2. Non-Competition After Expiration or Termination of Agreement. For a continuous two-year period commencing upon a transfer permitted under Section 12 of this Agreement, expiration of this Agreement (without renewal), or termination of this Agreement (regardless of the cause for termination), you shall not either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any person, persons, or legal entity, own, maintain, advise, operate, engage in, be employed by, make loans to, or have any interest in or relationship or association with any Competitive Business, other than a CRACK'D KITCHEN & COFFEE Restaurant operated pursuant to a then-currently effective franchise agreement with Franchisor, and is, or is intended to be, located ***(a)*** at the location of the former Restaurant; ***(b)*** within a 25-mile radius of the Restaurant; or ***(c)*** within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant in existence or under development at the time of such expiration, termination or transfer. If any Owner ceases to be an Owner of the franchisee for any reason during the franchise time, the foregoing covenant shall apply to the departing Owner for a two-year period beginning on the date such person ceases to meet the definition of an Owner. The obligations described in this Section 15.2 shall be tolled during any period of noncompliance.

15.3. Additional Provisions. The parties acknowledge and agree that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 15.1 and 15.2, or any portion thereof, without your consent or the consent of any Owner, effective immediately upon delivery of written notice to the affected party; and you and each Owner agree that such person shall comply forthwith with any covenant as so modified. You and each Owner expressly agree that the existence of any claims you may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants in this Article 15. You agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 15.

15.4. Covenants from Individuals. Each individual who attends Franchisor's training program and other key employees designated by Franchisor shall be required to sign a confidentiality and noncompete agreement substantially in the form attached as Attachment D-2 to this Agreement. You shall be responsible for ensuring compliance with such agreement.

15.5. Breach of Covenants Causes Irreparable Injury. You acknowledge that your violation of any covenant of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and you consent to the issuance of, and agree to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining, without the posting of any bond, an *ex parte* or other order for injunctive or other legal or equitable relief with respect to such conduct or action.

15.6. Exception for Publicly Held Companies. The foregoing restrictions shall not apply to your ownership or any Owner's ownership of less than a 5% beneficial interest in the outstanding equity securities of any company registered under the Securities Act of 1933 or the Securities Exchange Act of 1934.

15.7. Improvements. If you, your employees, or Owners develop any new concept, process or improvement in the operation or promotion of a CRACK'D KITCHEN & COFFEE Restaurant ("**Improvement**"), you agree to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to Franchisor any rights you or your Owners may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in

any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint Franchisor as agent and attorney-in-fact for you and for them to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 15.7 are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe on you or your Owners' rights therein.

16. REPRESENTATIONS

16.1. Representations of Franchisor. Franchisor represents and warrants that: ***(a)*** Franchisor is duly organized and validly existing under the law of the state of its formation; ***(b)*** Franchisor 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; and ***(c)*** the execution of this Agreement and the performance of the transactions contemplated by this Agreement are permitted under Franchisor's written limited liability agreement and have been duly authorized.

16.2. Representations of Franchisee.

16.2.1. You represent and warrant that the information set forth in Attachment C, incorporated by reference hereto, is accurate and complete in all material respects. You shall notify Franchisor in writing within 10 days of any change in the information set forth in Attachment C. You further represent to Franchisor that: ***(a)*** you are duly organized and validly existing under the law of the state of your formation; ***(b)*** you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification; and ***(c)*** your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of the Franchised Business. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any business that is the same as or similar to a CRACK'D KITCHEN & COFFEE Restaurant; and the execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized.

16.2.2. You acknowledge that you have conducted an independent investigation of the CRACK'D KITCHEN & COFFEE franchise opportunity and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent on your ability as an independent businessperson.

16.2.3. You represent that neither Franchisor nor its agents or representations have made any representations, and you have not relied on representations made by Franchisor or its agents or representatives, concerning actual or potential sales, expenses or profit of a CRACK'D KITCHEN & COFFEE Restaurant, except for any information that may have been contained in Item 19 of the franchise disclosure document, delivered to you in connection with your purchase of a CRACK'D KITCHEN & COFFEE franchise.

16.2.4. You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.

16.2.5. You acknowledge that you have read and that you understand the terms of this Agreement and its attachments, and that you have had ample time and opportunity to consult with an attorney or business advisor of your choice about the potential risks and benefits of entering into this Agreement.

16.2.6. You represent that neither your property nor any interest in your property, nor the property of any of your Owners, officers, directors, managers, partners, agents or employees, or their respective interests therein, have been blocked pursuant to Executive Order 13224 of September 23, 2001, pertaining to persons who commit, threaten to commit, or support terrorism ("**Blocked Persons**"). You represent and warrant to Franchisor that you will not accept money from or employ any Blocked Person.

17. NOTICES

17.1. Notices. All notices or demands shall be in writing and shall be served in person, by Express Mail, by certified mail; by private overnight delivery; or by facsimile or other electronic system. Service shall be deemed conclusively made: ***(a)*** at the time of service, if personally served; ***(b)*** 24 hours (exclusive of weekends and national holidays) after deposit in the United States mail, properly addressed and postage prepaid, if served by Express Mail; ***(c)*** upon the earlier of actual receipt or three calendar days after deposit in the United States mail, properly addressed and postage prepaid, return receipt requested, if served by certified mail; ***(d)*** 24 hours after delivery by the party giving the notice, statement or demand if by private overnight delivery; and ***(e)*** at the time of transmission by facsimile, if such transmission occurs prior to 5:00 p.m. Eastern Time on a Business Day and a copy of such notice is mailed within 24 hours after the transmission. Notices and demands shall be given to the respective parties at the addresses set forth on the Summary Pages, unless and until a different address has been designated by written notice to the other party. Either party may change its address for the purpose of receiving notices, demands and other communications as in this Agreement by providing a written notice given in the manner aforesaid to the other party.

18. CONSTRUCTION

18.1. Entire Agreement. This Agreement represents the entire, fully integrated agreement between the parties and supersedes all other negotiations, agreements, representations, and covenants, oral or written, concerning the subject matter hereof. Except for Franchisor's unilateral rights under this Agreement, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement is intended to disclaim any representation made in the franchise disclosure document delivered to you in connection with your purchase of a CRACK'D KITCHEN & COFFEE franchise.

18.2. No Waiver. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless the same is made in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the parties arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.

18.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

18.4. Survival of Terms. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

18.5. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms have the meaning ascribed to them in Attachment A ("**Glossary of Additional Terms**"). All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

18.6. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. Each Owner shall execute the Guaranty and Personal Undertaking attached as Attachment D-1. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint

and severally liable for each person's obligations hereunder and under the Guaranty and Personal Undertaking.

18.7. Rules of Construction. Neither this Agreement nor any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. Terms used in this Agreement shall be construed and interpreted according to their ordinary meaning. If any provision of this Agreement is susceptible to two or more meanings, one of which would render the provision enforceable and the other(s) which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

18.8. Timing. Time is of the essence with respect to all provisions in this Agreement. Notwithstanding the foregoing, if performance of either party is delayed on account of a Force Majeure, the applicable deadline for performance shall be extended for a period commensurate with the Force Majeure, but not to exceed 12 months.

19. APPLICABLE LAW; DISPUTE RESOLUTION

19.1. Choice of Law. This Agreement and all claims arising out of or related to this Agreement or the parties' relationship created hereby shall be construed under and governed by the laws of the State of Texas (without giving effect to any conflict of laws).

19.2. Mediation.

19.2.1. The parties acknowledge that during the term and any extensions of this Agreement certain disputes may arise that the parties are unable to resolve through private negotiation (a "Dispute"). To facilitate resolution of the Dispute, Franchisor, you, and each Owner agree to submit the Dispute to mediation pursuant to the terms of this Section 19.2.

19.2.2. The mediation shall be conducted by a mediator agreed upon by Franchisor and you and, failing such agreement within not more than 15 days after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization ("**AAA**") in accordance with its rules governing mediation. Mediation shall be held at the offices of the AAA in the city in which Franchisor maintains its principal place of business at the time the mediation is initiated. The costs and expenses of mediation paid to the AAA or to the mediator will be paid equally by the parties. All other mediation-related expenses, including but not limited to, attorneys' fees and travel expenses, will be paid by the party which incurred such expense.

19.2.3. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 19.3. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

19.2.4. Notwithstanding the foregoing provisions of this Section 19.2, the parties' agreement to mediate shall not apply to controversies, disputes or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, your misuse or infringement of the Marks or Copyrighted Works, or your misuse of Franchisor's Confidential Information. Moreover, regardless of this mediation agreement, Franchisor and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction.

19.3. Arbitration.

19.3.1. Any dispute, controversy, or claim between the parties or their respective Affiliates or Owners including, without limitation, claims arising out of or relating to this Agreement and the relationships created hereby that are not solved during the mediation process described in Section 19.2. must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial

Rules of the AAA. The Arbitrator must be a person experienced in food service franchising or franchise law who has no prior business or professional relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("**FAA**"). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction, and the arbitrator must state in writing the reasoning upon which the award is based. The costs and expenses of arbitration paid to the AAA or to the arbitrator will be paid equally by the parties. All other arbitration-related expenses, including but not limited to attorneys' fees and travel expenses, will be paid by the party which incurred such expense.

19.3.2. Arbitration will be conducted in the city in which Franchisor maintains its principal business office at the time of the arbitration. Arbitration will be conducted on an individual, not a class-wide basis, and an arbitration proceeding between the parties and their respective Owners, officers, directors, agents, and/or employees may not be consolidated with any other arbitration proceeding between Franchisor and any other person. The arbitrator has no power or authority to award punitive damages.

19.3.3. Any disputes concerning the enforceability or scope of this arbitration provision must be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision.

19.3.4. If you institute any claim subject to this arbitration proceeding in any court, and Franchisor succeeds in a motion to compel arbitration of the claim, you must reimburse Franchisor its reasonable attorneys' fees and costs in defending the action and in its motion to compel arbitration.

19.3.5. You shall not assert any claim or cause of action against us, our officers, directors, shareholders, employees, or affiliates after two years following the event giving rise to such claim or cause of action.

19.3.6. Notwithstanding the foregoing provisions of this Section 19.3., the parties' agreement to arbitrate will not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, or Franchisor's Confidential Information. Franchisor has the right to apply to any court of competent jurisdiction for injunctive relief to prevent continued or threatened harm while arbitration is pending. You and your Owners irrevocably consent to personal jurisdiction in the state and federal courts located in the county in which Franchisor maintains its principal place of business for this purpose.

19.4. Venue. Without limiting the generality of the arbitration provision, the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively in the state or federal court serving the judicial district in which Franchisor maintains its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Notwithstanding the foregoing, Franchisor shall have the right to seek injunctive relief from any court of competent jurisdiction.

19.5. Nonexclusivity of Remedy. No right or remedy conferred upon or reserved to Franchisor or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.6. WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

19.7. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN

THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19.8. Contractual Limitations Period. No legal action or proceeding may be brought against Franchisor or its officers, directors, agents, or employees, for any claim or cause of action (whether sounding in contract, tort, or otherwise) unless such action or proceeding is instituted within one year and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

19.9. Attorneys' Fees. If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

19.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR **CRACKDBRANDS, LLC** a Texas limited liability company	**FRANCHISEE** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

CALIFORNIA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of California law, including the California Franchise Investment Law, CAL. BUS. & PROF. CODE Section 31000 *et seq*. ("**CFIL**"), and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq*. (the "**CRA**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Franchisee**"), hereby amend the Franchise Agreement between them dated _____ (the "**Agreement**") as follows:

1 Sections 20000 through 20043 of the CRA provide rights to Franchisee concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Agreement upon certain bankruptcy-related events. To the extent Section 2.2 and 13.1 of the Agreement are inconsistent with these laws, these laws will control.

2 Sections 2.2, 12.2, 12.3, and 12.4 of the Agreement require Franchisee to execute a general release of claims upon renewal or transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 2000 through 20043).

3. Section 15.2 of the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

4. Sections 19.2, 19.3, and 19.4 of the Agreement require litigation, arbitration, or mediation to be conducted in a forum other than the State of California, the requirement may unenforceable under California law.

5. Section 19.1 of the Agreement requires that it be governed by ~~a state's law other than the State of California~~Texas law, such requirement may be unenforceable.

6. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR **CRACKDBRANDS, LLC** a Texas limited liability company	**FRANCHISEE** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Illinois law, including the Illinois Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 – 705/44 (1994) (the "**Illinois Franchise Act**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Franchisee**"), hereby amend the Franchise Agreement between them dated _____ (the "**Agreement**") as follows:

1. Section 705/19 and 705/20 of the Illinois Franchise Act provide rights to franchisees concerning nonrenewal and termination of a franchise. If the Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.

2. Section 41 of the Illinois Franchise Act states that "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." To the extent that any provision in the Agreement is inconsistent with Illinois law, Illinois law will control. Any provision that designates jurisdiction or venue or required Franchisee to agree to jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois, except arbitration may take place outside the state of Illinois.

3. To the extent that Section 19.1 of the Agreement (pertaining to choice of law) conflicts with Illinois law, Illinois law will control.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Illinois law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR **CRACKDBRANDS, LLC** a Texas limited liability company	**FRANCHISEE** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC

MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN., Bus. Reg. §§ 14-201 – 14-233 (2004 Repl. Vol.) (the "**Maryland Franchise Law**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Franchisee**"), hereby amend the Franchise Agreement between them dated _____ (the "**Agreement**") as follows:

1. Section 14-226 of the Maryland Franchise Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. To the extent that the Franchise Agreement requires Franchise to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Law in order to purchase your franchise, the Agreement is amended to reflect that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

2. Pursuant to COMAR 02.02.08.16L, the Agreement is amended to reflect that:

(a) Any release required as part of the Agreement or as a condition of the sale, renewal, or assignment, or transfer of the franchise shall not apply to any liability under the Maryland Franchise Law.

(b) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(c) Any provision in the Agreement which requires litigation to be conducted in a forum other than the State of Maryland will not limit any rights Franchisee may have under § 14-216(c)(25) of the Maryland Franchise Law to bring suit in the State of Maryland.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of Maryland law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

4. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR **CRACKDBRANDS, LLC** a Texas limited liability company	**FRANCHISEE** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

CRACKDBRANDS, LLC
NEW YORK AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of New York Law, including the New York General Business Law, Article 33, §§ 680 – 695 (1989), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**") and _____ ("**Franchisee**"), hereby amend the Franchise Agreement between them dated _____ (the "**Franchise Agreement**") as follows:

1. To the extent that the Franchise Agreement requires Franchisee to sign a release or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate General Business Law, Article 33, §§ 680 – 695 (1989) or a rule or order promulgated thereunder, such release or acknowledgment of fact shall be void with respect to claims arising under said law or regulation. It is the intent of this provision that non-waiver provisions of the Sections 687.4 and 687.5 of General Business Law, Article 33, §§ 680 – 695 (1989).

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of New York Law applicable to the provisions are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, Franchisor reserves the right to challenge the enforceability of the state law.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, §§ 680 – 695 (1989) applicable to the provisions are met independent of this Amendment.

5. All other provisions of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR
CRACKDBRANDS, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

FRANCHISEE

_____
_____

By: _____
Name: _____
Title: _____

CRACKDBRANDS, LLC
NORTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

For purposes of complying with the requirements of the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, §§ 51-09-01 through 51-19-17 (1993) (the "**NDFIL**"), Crackdbrands, LLC, a Texas limited liability company ("**Franchisor**"), and _____ ("**Franchisee**"), hereby amend the Franchise Agreement between them dated _____ (the "**Agreement**") as follows:

1. To the extent that the Agreement requires you to sign a general release upon renewal of the franchise agreement, such provision is deleted in its entirety and shall have no further force or effect.

2. Covenants not to compete are enforceable only under certain conditions under North Dakota law (Section 9-08-06 of the North Dakota Century Code). If the Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable in North Dakota.

3. To the extent that the Agreement requires litigation, arbitration or mediation to be conducted in a jurisdiction other than North Dakota, such provision is amended to provide that arbitration shall take place in Fargo, North Dakota or such other place mutually agreed on by the parties.

4. To the extent that the Agreement requires Franchisee to consent to the jurisdiction of courts outside of North Dakota, such provision is deleted in its entirety and shall have no further force or effect.

5. To the extent that the Agreement requires that the Agreement be governed by a state law other than North Dakota, such provision is deleted in its entirety and shall have no further force or effect.

6. Section 19.6 of the Agreement (entitled "Jury Trial Waiver") is deleted in its entirety and shall have no further force or effect.

7. To the extent that the Agreement requires you to waive exemplary, punitive or any other damages to which you may be entitled, such provision is deleted in its entirety and shall have no further force or effect.

8. If the Agreement requires that you consent to a limitation of claims, the requirement is void and the statute of limitations under North Dakota law will apply.

9. If the Agreement requires that you consent to payment of all costs and expenses incurred in the enforcement of the Agreement, the requirement is void. The prevailing party in any such action is entitled to recover all costs and expenses, including attorneys' fees.

10. All other provisions of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the Effective Date set forth above.

FRANCHISOR **CRACKDBRANDS, LLC** a Texas limited liability company	**FRANCHISEE** _____ _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

"**Account**" means your commercial bank operating account.

"**Affiliate**" means an affiliate of a named person identified as any person or entity that is controlled by, controlling or under common control with such named person.

"**Agreement**" means the Franchise Agreement.

"**Business Day**" means each day other than a Saturday, Sunday, U.S. holiday or any other day on which the Federal Reserve is not open for business in the United States.

"**Business Entity**" means any person with the power to enter into contracts, other than a natural person. The term includes a corporation, limited liability company, limited partnership, and trust.

"**Competitive Business**" means any coffee bar or any restaurant focused on breakfast and lunch service or breakfast and lunch menu items, except for a business operated under a valid franchise agreement with Franchisor.

"**Confidential Information**" means all trade secrets, the Standards, and other elements of the System; all customer information; all information contained in the Manuals; Franchisor's proprietary recipes and standards and specifications for product preparation, packaging and service; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, and all other information that Franchisor designates.

"**Controlling Interest**" means: **(a)** if you are a corporation or a limited liability company, that the Owners, either individually or cumulatively **(i)** directly or indirectly own at least 51% of the shares of each class of the developer entity's issued and outstanding capital stock or membership units, as applicable; and **(ii)** are entitled, under its governing documents and under any agreements among the Owners, to cast a sufficient number of votes to require such entity to take or omit to take any action which such entity is required to take or omit to take under this Agreement; or **(b)** if you are a partnership, that the Owners **(i)** own at least 51% interest in the operating profits and operating losses of the partnership as well as at least 51% ownership interest in the partnership (and at least 51% interest in the shares of each class of capital stock of any corporate general partner); and **(ii)** are entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement. Any interest less than 51% of the corporation, limited liability company, or partnership is a "**Non-Controlling Interest**."

"Copyrighted Works" means works of authorship which are owned by Franchisor and fixed in a tangible medium of expression including, without limitation, the content of the Manual, the design elements of the Marks, Franchisor's menus, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and the content and design of Franchisor's Web site.

"**Crisis Management Event**" means any event that occurs at or about the Restaurant premises or in connection with the operation of the Franchised Business that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the marks.

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot or other civil disturbance; epidemics; or other similar forces which could not, by the exercise of reasonable diligence, have been avoided; provided, however, that neither an act or failure to act by a government authority, nor

the performance, nonperformance, or exercise of rights by your lender, contractor, or other person qualifies as a Force Majeure unless the act, failure to act, performance, non-performance, or exercise of rights resulted from a Force Majeure. Your financial inability to perform or your insolvency is not a Force Majeure.

"**Manual**" means the compilation of information and knowledge that is necessary and material to the System. The term "Manual," as used in this Agreement, includes all publications, materials, drawings, memoranda, videotapes, CDs, DVDs, MP3s, and other electronic media that Franchisor from time to time may loan to you. The Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, videotape, CD, DVD, MP3, or other communications concerning the System to reflect changes in the image, specifications, and standards relating to developing, equipping, furnishing, and operating a CRACK'D KITCHEN & COFFEE.

"**Marks**" means certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "CRACK'D KITCHEN & COFFEE" and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System.

"**Gross Revenue**" means the total selling price of all services and products and all income of every other kind and nature related to your CRACK'D KITCHEN & COFFEE Restaurant including income related to catering operations and special events and the full value of meals provided to your employees as an incident to their employment (except you may credit the value of any discounts against Gross Revenue during the week in which the meals are provided), whether for cash or credit and regardless of collection in the case of credit. Gross Revenue does not include (i) sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority; (ii) proceeds from isolated sales of trade fixtures that are not part of the products and services you offer and that do not have any material effect on the operation of your CRACK'D KITCHEN & COFFEE Restaurant; (iii) tips or gratuities paid directly by Restaurant customers to your employees or paid to you and then turned over to these employees by you in lieu of direct tips or gratuities; or (iv) returns to shippers or manufacturers. Gross Revenue also do not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and stored value cards at the time purchases are made. You are responsible for the accurate reporting of gift certificate and stored value card sales and the corresponding impact on Gross Revenue.

"**Owner**" means each individual or entity holding a beneficial ownership in the franchisee. It includes all shareholders of a corporation, all members of a limited liability company, all general and limited partners of a limited partnership, and the grantor and the trustee of the trust.

"**Proprietary Products**" means recipes and menu items that incorporate Franchisor's trade secrets and proprietary information and products and ingredients that are manufactured according to proprietary specifications.

"**You**" means the franchisee identified above and its successors and assigns.

ATTACHMENT B
KEY TERMS

Section 1.1.1. The "Franchised Location" is at: _____

Section 3.5. The "Opening Date" is: _____

IN WITNESS WHEREOF, the parties have executed this Attachment B on _____.

FRANCHISOR	**FRANCHISEE**
CRACKDBRANDS, LLC	_____
a Texas limited liability company	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT C
ENTITY INFORMATION

If Franchisee is an entity, you represent and warrant that the following information is accurate and complete in all material respects as of _____.

(1) Franchisee is a _____, formed under the laws of the state of _____.

(2) You shall provide to Franchisor concurrently with the execution hereof true and accurate copies of the franchisee's charter documents and governing documents including Articles of Incorporation, Bylaws, Operating Agreement, Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing.

(3) You promptly shall provide such additional information as Franchisor may from time-to-time request concerning all persons who may have any direct or indirect financial interest in the franchisee entity.

(4) The name and address of each of Owner:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

FRANCHISOR
CRACKDBRANDS, LLC
a Texas limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE

_____

_____

By: _____

Name: _____

Title: _____

ATTACHMENT D-1
GUARANTY AND PERSONAL UNDERTAKING

1. I have read the Franchise Agreement between Crackdbrands, LLC ("**Franchisor**"), and _____ _____ ("**Franchisee**").

2. I own a beneficial interest in the Franchisee and would be considered an "**Owner**" within the definition contained in Franchise Agreement.

3. I understand that, were it not for this Guaranty and Personal Undertaking (**"Guaranty**"), Franchisor would not have agreed to enter into the Franchise Agreement with the Franchisee.

4. I will comply with of the provisions contained in Article 7 of the Franchise Agreement concerning the Franchisee's use of Franchisor's Marks and Copyrighted Works (as that term is defined in the Franchise Agreement). I understand that, except for the license granted to the Franchisee, I have no individual right to use the Marks or Copyrighted Works and I have no ownership interest in the Marks or Copyrighted Works.

5. I will comply with all of the provisions contained in Article 8 of the Franchise Agreement concerning the use of the Confidential Manuals and Information. I will maintain the confidentiality of all Confidential Information disclosed to me. I agree to use the Confidential Information only for the purposes authorized under the Franchise Agreement. I further agree not to disclose any of the Confidential Information, except ***(a)*** to the Franchisee's employees on a need-to-know basis, ***(b)*** to the Franchisee's and my legal and tax professionals to the extent necessary for me to meet my legal obligations, and ***(c)*** as otherwise may be required by law.

6. I will comply with all of the provisions contained in Article 12 of the Franchise Agreement concerning the transfer of my ownership interest in the Franchisee.

7. While I am an Owner of the Franchisee and, for a two-year period after I cease to be an Owner (or two years after termination or expiration (without renewal) of the Franchise Agreement, whichever occurs first), I will not:

(a) Divert or attempt to divert any present or prospective customer of a CRACK'D KITCHEN & COFFEE Restaurant to any competitor or do anything to harm the goodwill associated with the Marks and the System;

(b) Employ or seek to employ any person who is or has been within the previous 30 days employed by Franchisor or an Affiliate of Franchisor as a salaried managerial employee, or induce such person to leave his or her employment; or

(c) Own, maintain, advise, operate, engage in, be employed by, make loans to, invest in, provide any assistance to, or have any interest in (as owner or otherwise) or relationship or association with, any Competitive Business. This restriction shall apply, while I am an Owner, to any location within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or its Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks. It will apply for two years after I cease to be an Owner (or two years after termination or expiration of the Franchise Agreement, whichever occurs first) to any location that is, or is intended to be, located ***(i)*** at the location of the former Restaurant; ***(ii)*** within a 25-mile radius of the Restaurant; or ***(iii)*** within a 25-mile radius of any other CRACK'D KITCHEN & COFFEE Restaurant in existence or under development at the time I cease being an Owner (or termination or expiration of the Franchise Agreement, whichever occurs first). This two-year period described in this Section 7(c) shall be tolled during any period of noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which

Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed 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 Guaranty.

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Guaranty, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. I agree that the provisions contained in Article 19 of the Franchise Agreement will apply to any dispute arising out of or relating to this Guaranty. If Franchisor brings any legal action to enforce its rights under this Guaranty, I will reimburse Franchisor its reasonable attorneys' fees and costs.

11. I hereby guarantee the prompt and full payment of all amounts owed by the Franchisee under the Franchise Agreement.

12. I will pay all amounts due under this Guaranty within 14 days after receiving notice from Franchisor that the Franchisee has failed to make the required payment. I understand and agree that Franchisor need not exhaust its remedies against the Franchisee before seeking recovery from me under this Guaranty.

13. No modification, change, impairment, or suspension of any of Franchisor's rights or remedies shall in any way affect any of my obligations under this Guaranty. If the Franchisee has pledged other security or if one or more other persons have personally guaranteed performance of the Franchisee's obligations, I agree that Franchisor's release of such security will not affect my liability under this Guaranty.

14. **I WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING FRANCHISOR, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

15. I understand that Franchisor's rights under this Guaranty shall be in addition to, and not in lieu of, any other rights or remedies available to Franchisor under applicable law.

16. I agree that any notices required to be delivered to me will be deemed delivered at the time delivered by hand; one Business Day after electronically confirmed transmission by facsimile or other electronic system; one Business Day after delivery by Express Mail or other recognized, reputable overnight courier; or three Business Days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the address identified on the signature line below. I may change this address only by delivering to Franchisor written notice of the change.

Intending to be legally bound, I have executed this Guaranty and Personal Undertaking on the date set forth below:

GUARANTOR

Dated:

Name:

Address:

ATTACHMENT D-2
CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(for trained employees of _____ ("Franchisee"))

In accordance with the terms of this Confidentiality and Non-Competition Agreement ("**Confidentiality Agreement**") and in consideration of my being in a trusted position with the Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Franchisee has acquired the right and franchise from Crackdbrands, LLC ("**Franchisor**") to establish and operate a Franchised Business ("**Franchised Business**") and the right to use in the operation of the Franchised Business Franchisor's trade names, trademarks, service marks, including the service mark CRACK'D KITCHEN & COFFEE ("**Marks**") and the system developed by Franchisor and/or its affiliates for operation and management of Franchised Businesses ("**System**"), as they may be changed, improved, and further developed from time to time in Franchisor's sole discretion.

2. Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes the Manuals, recipes, trade secrets, and copyrighted materials, methods, and other techniques and know-how "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality Agreement.

4. In my trusted position with Franchisee, Franchisor and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, Franchisor's operations manual ("**Manual**") and other general assistance during the term of this Confidentiality Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my job duties, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by Franchisor, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for one year thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation, or other limited liability company own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any coffee bar or any restaurant focused on breakfast and lunch service or breakfast and lunch menu items other than the business authorized in the Franchise Agreement, within a radius of 25 miles of any CRACK'D KITCHEN & COFFEE Restaurant, as those terms are defined in the Franchise Agreement. This restriction does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation. The two-year time period restriction will be tolled during any period of my noncompliance.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, I expressly agree to be bound by any lesser covenant subsumed 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 Confidentiality Agreement.

9. I understand and acknowledge that Franchisor has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Confidentiality Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

10. Franchisor is a third-party beneficiary of this Confidentiality Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Confidentiality Agreement will cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Confidentiality Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Confidentiality Agreement is enforced against me. Due to the importance of this Confidentiality Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate or justify any violation of this Confidentiality Agreement.

11. This Confidentiality Agreement shall be construed under the laws of the State of Texas. The only way this Confidentiality Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state courts located in Essex County, Massachusetts, and the United States District Court for the District of Massachusetts. I acknowledge that I am to receive valuable information emanating from Franchisor's headquarters in Andover, Massachusetts. In recognition of the information and its origin, I hereby irrevocably consent to the personal jurisdiction of the state and federal courts of Massachusetts as set forth above. Notwithstanding the foregoing, I acknowledge and agree that Franchisor or the Franchisee may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS CONFIDENTIALITY AGREEMENT AS OF THE DATES NOTED BELOW.

[EMPLOYEE]	**ACKNOWLEDGED BY FRANCHISEE**
Signature:_____	By:_____
Name:_____	Name:_____
Address:_____	Title:_____
Title:_____	
Date:_____	Date:_____

ATTACHMENT E
ACH AUTHORIZATION
AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Please complete and sign this form.

Franchisee Information

Franchisee Name or Legal Entity

_____

CRACK'D KITCHEN & COFFEE Restaurant Number & Location

_____

Name and Email of Person to Receive ACH Debit Advice

_____

Authorization Agreement

I (we) hereby authorize Crackdbrands, LLC **("Company")** to make ACH withdrawals from my (our) account at the financial institution named below. I also authorize the Company to initiate direct deposits into this account in the event that a debit entry is made in error. I (we) acknowledge that the origination of ACH transactions to or from my (our) account must comply with the provisions of U.S. law.

I agree to indemnify the Company for any loss arising in the event that any withdrawals from my (our) account shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

This agreement will remain in effect until the Company has received advanced written notice of cancellation from me (us) in such time and in such manner as to afford the Company a reasonable opportunity to act on it, and in no event shall such notice period be less than 30 days.

Payor/Franchisee Account Information

Name of Financial Institution:

ABA Routing Number:

Account Number: Checking ☐ Savings ☐

Payor/Franchisee Signature

Authorized Signature (Primary): Date:

Authorized Signature (Joint): Date:

Account holder(s), please sign here: ***(Joint accounts require the signature of all persons having authority over the account)***

Please attach a voided check at right, fax and mail to:

Crackdbrands, LLC
Attn: Chief Executive Officer
319 Lowell Street
Andover, Massachusetts 01810

ATTACH CHECK HERE

ATTACHMENT F
LEASE RIDER

THIS LEASE RIDER ("**Rider**") is made and entered into as of the ___ day of _____, 20__, by and between _____ ("**Landlord**"), with its principal offices at _____ _____ and _____ ("**Franchisee**" or "**Tenant**"), with its principal offices at _____ _____, and Crackdbrands, LLC ("**Franchisor**").

In consideration of, and as an inducement to the execution of the Franchise Agreement between Franchisor and its franchisee, each of the undersigned agree as follows:

(a) Landlord acknowledges that Tenant is a franchisee of Franchisor and that the Restaurant located at the Premises ("**Unit**") is operated under the CRACK'D KITCHEN & COFFEE franchise system, pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and Franchisor. Landlord consents to Tenant's use at the Premises of such marks and signs, decor items, color schemes, and related components of the CRACK'D KITCHEN & COFFEE system as Franchisor may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to Franchisor copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give Franchisor further written notice of such failure ("**Franchisor Notice**"). Following Franchisor's receipt of the Franchisor Notice, Franchisor shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within 15 days following Franchisor's receipt of the Franchisor Notice. Such cure by Franchisor shall not be deemed to be an election to assume the terms, covenants, obligations, and conditions of the Lease.

(c) If Franchisor cures Tenant's default, or if Franchisor 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 Franchisor's notice thereof), Landlord agrees, upon Franchisor's written request, to assign to Franchisor any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with Franchisor in order to pursue such action to a conclusion.

(d) If Franchisor cures Tenant's default, or notifies Landlord of the termination of the Franchise Agreement, Franchisor shall have the right and option, upon written notice to Landlord, to do the following:

(i) Undertake to perform the terms, covenants, obligations, and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six months from the first date of any cure by Franchisor; or

(ii) At any time within or at the conclusion of such six-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 Franchisor shall enter into an agreement to document such assumption. Franchisor 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, Franchisor as herein provided.

(e) If, during the six-month period set forth in section (d)(1) above, or at any time after the assignment contemplated in section (d)(2), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another CRACK'D KITCHEN & COFFEE franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that, said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold

consent to such assignment. Thereafter, Franchisor 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.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(g) Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the CRACK'D KITCHEN & COFFEE System and Marks (including, without limitation, remove all signs, advertising materials, displays, fixtures, proprietary equipment and inventory, and any other items which display the Marks or are indicative of CRACK'D KITCHEN & COFFEE trade dress) or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits, and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors, and assigns and the officers, directors, shareholders, partners, employees, agents, and representatives of each of them, from any and all claims, demands, accounts, actions, and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to the Addendum.

(h) Landlord shall subordinate any lien in favor of Landlord created by the Lease to Franchisor. Landlord's rights to collect on any liens that Landlord files or attaches to Tenant's property rights shall be subordinate and inferior to Franchisor's lien rights against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Tenant and on the premises operated by Tenant under the Lease.

(i) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be 319 Lowell Street, Andover, Massachusetts 01810, Attention: Chief Executive Officer, which address may be changed by written notice to Landlord in the manner provided in the Lease.

FRANCHISOR:

CRACKDBRANDS, LLC
a Texas limited liability company

By:
Name:
Title:

LANDLORD:

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

ATTACHMENT G
FRANCHISEE QUESTIONNAIRE

As you know, Crackdbrands, LLC ("**we**" or "**us**") and you are preparing to enter into a Franchise Agreement for the operation of a CRACK'D KITCHEN & COFFEE franchise. The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee. Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

Yes____ No ____ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer? If "yes," please provide the name and telephone number for your lawyer: _____

_____

Yes____ No ____ 6. Do you understand the risks of operating a CRACK'D KITCHEN & COFFEE franchise?

Yes____ No ____ 7. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities, and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace?

Yes____ No ____ 8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your CRACK'D KITCHEN & COFFEE Restaurant?

Yes____ No ____ 9. Do you understand that we are not responsible for any construction delays?

Yes____ No ____ 10. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be brought in arbitration in the city in which our principal place of business is located, if not resolved informally or by mediation?

Yes____ No ____ 11. Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary, incidental, indirect, special, consequential, or other damages (including, without limitation, loss of profits)?

Yes____ No ____ 12. Do you understand that your Operations Manager and Restaurant Manager (if any) must successfully complete the training program prior to the Opening Date; and that if he or she fails, in our sole judgment, to satisfactorily complete our training program, and you fail to cure such default within 30 days following written notice from us, we may terminate the Franchise Agreement?

Yes____ No ____ 13. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes____ No ____ 14. A) Do you understand that the U.S. Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?

Yes____ No ____ B) Is it true that you have never been a suspected terrorist or associated directly or indirectly with terrorist activities?

Yes____ No ____ C) Do you understand that we will not approve your purchase of a CRACK'D KITCHEN & COFFEE franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?

Yes____ No ____ D) Is it true that you are not purchasing a CRACK'D KITCHEN & COFFEE franchise with the intent or purpose of violating any anti-terrorism law or for obtaining money to be contributed to a terrorist organization?

Yes____ No ____ 15. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a CRACK'D KITCHEN & COFFEE franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 16. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits that you may earn in operating your Restaurant?

Yes____ No ____ 17. Is it true that no employee or other person speaking on our behalf made any representation to you concerning the amount of money or profits that any other CRACK'D KITCHEN & COFFEE Restaurant derived that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 18. Is it true no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in our Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support services, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 19. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise, meaning that we are not bound by a prior oral or written statement that may have been made to you, but which are not contained in the Franchise Agreement or Franchise Disclosure Document?

Dated: _____

_____
Name: _____, Individually
Printed Name

Dated: _____

By: _____
Name: _____
Printed Name
of _____
(a _____ Corporation)
(a _____ Partnership)

EXHIBIT D

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES
AND LIST OF FORMER FRANCHISEES

CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF DECEMBER 31, 2021

Franchisee	Street Address	City	ST	Zip	Phone
None.					

LIST OF FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT, BUT OUTLET NOT OPEN AS OF DECEMBER 31, 2021

Franchisee	Street Address	City	ST	Zip	Phone
FLBEC1, LLC	TBD	Plantation	FL	TBD	978-886-7686

LIST OF FRANCHISEES WHO LEFT THE SYSTEM AS OF DECEMBER 31, 2021

Franchisee	Street Address	City	ST	Zip	Phone
None					

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

EXHIBIT E

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

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Franchise Operations Manual

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EXHIBIT F

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California
Commissioner of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62701
(217) 782-4465

Indiana
Franchise Section
Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

Michigan
Consumer Protection Division
Antitrust and Franchise Unit
Department of Attorney General
525 W. Ottawa St.
G. Mennen Williams Bldg., 1st Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1500

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
212-416-8222

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island
Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 462-9527

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Franchise Administrator
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703
(608) 266-8557

EXHIBIT G

CRACK'D KITCHEN AND COFFEE
FRANCHISE DISCLOSURE DOCUMENT

GENERAL RELEASE (SAMPLE FORM ONLY)

GENERAL RELEASE (this "Release Agreement")

The undersigned ("**Releasor**") and my heirs, administrators, executors, ancestors, and assigns, (collectively "**Releasor Agent(s)**"), for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge Crackdbrands, LLC, a Texas limited liability company ("**CRACK'D**"), with its principal business offices located at 319 Lowell Street, Andover, Massachusetts 01810 and its Affiliates, and their respective owners, officers, directors, regional directors, managers, shareholders, members, employees, agents, successors and assigns, (collectively, the "**CRACK'D Released Parties**") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that Releasor and/or any Releasor Agent ever had, now have, or that any of their respective heirs, administrators, ancestors, executors, and/or assigns may have against the CRACK'D Released Parties including, without limitation, (i) any and all claims arising out of or related to that certain Franchise Agreement between CRACK'D and _____ dated _____ _____, _____, (ii) the offer and sale of the CRACK'D KITCHEN & COFFEE franchise opportunity, (iii) any and all claims arising under federal, state, and local laws, rules, and ordinances.

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement. I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below.

Signature:_____

Name:_____

Date:_____

[This Release Agreement will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT H

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California
Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706

Maryland
Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021

New York
Attention: New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

North Dakota
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor Dept 414
Bismarck, North Dakota 58505

Texas
C T Corporation System
701 Brazos Street, Suite 720
Austin, Texas 78701

Virginia
Clerk, State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

EXHIBIT I

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending
Illinois	Pending
Maryland	Pending
New York	Pending
North Dakota	Pending
Virginia	Pending

EXHIBIT J

TO CRACK'D KITCHEN & COFFEE
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPTS

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 Crackdbrands, LLC offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 Business Days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Crackdbrands, 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 Commission, Washington, D.C. 20580, and the appropriate state administrator listed in Exhibit F. Our agents for service of process are listed in Exhibit H.

Issuance Date: July 11, 2022

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number

I received a disclosure document dated July 11, 2022. This disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Development Agreement with all Attachments
Exhibit C	Franchise Agreement with all Attachments
Exhibit D	List of Current Franchisees and List of Former Franchisees
Exhibit E	Table of Contents of Manual
Exhibit F	List of State Administrators
Exhibit G	General Release (Sample Form Only)
Exhibit H	Agents for Service of Process
Exhibit I	State Effective Dates Page
Exhibit J	Receipts

Dated: _____

_____
Printed Name, Individually

_____
Printed Name, Officer

of _____

(a _____ Corporation)

(a _____ Partnership)

[Sign, date, and keep this page for your records.]

RECEIPTS

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 Crackdbrands, LLC offers you a franchise, it must provide you this disclosure document 14 calendar days before you sign a binding agreement with, or make a payment to, franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 Business Days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Crackdbrands, 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 Commission, Washington, D.C. 20580, and the appropriate state administrator listed in Exhibit F. Our agents for service of process are listed in Exhibit H.

Issuance Date: July 11, 2022

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number

I received a disclosure document dated July 11, 2022. This disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Development Agreement with all Attachments
Exhibit C	Franchise Agreement with all Attachments
Exhibit D	List of Current Franchisees and List of Former Franchisees
Exhibit E	Table of Contents of Manual
Exhibit F	List of State Administrators
Exhibit G	General Release
Exhibit H	Agents for Service of Process
Exhibit I	State Effective Dates Page
Exhibit J	Receipts

Dated: _____

_____
Printed Name, Individually

_____
Printed Name, Officer

of _____

(a _____ Corporation)

(a _____ Partnership)

[Sign, date, and return to Crackdbrands, LLC,
319 Lowell Street, Andover, Massachusetts 01810 or dazzarello@crackdkitchen.com]