FRANCHISE DISCLOSURE DOCUMENT

Wow Wow Hawaiian Lemonade Franchising, LLC, a Nevada limited liability company
14301 N. 87th Street, Suite 209
Scottsdale, Arizona 85260 Phone: 520-276-7716
Website: www.WowWowHawaiianLemonade.com Email: aloha@wwlem.com

As a franchisee, you will operate a gourmet lemonade stand under the name "Wow Wow Hawaiian Lemonades®."

The total investment necessary to begin operation of a Wow Wow franchised business is between $258,000 and $544,000. This includes $42,500 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Wow Wow Multi-Unit business is between $283,000 minimum and $629,000.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Tim Weiderhoft at 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260, phone: 520-276-7716, or email: aloha@wwlem.com.

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

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

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

ISSUANCE DATE: April 18, 2022, amended October 14, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit J.
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 C 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 Wow Wow Hawaiian Lemonades® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Wow Wow Hawaiian Lemonades® franchisee?	Item 20 or Exhibit J 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 A.

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 Clark County, Nevada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Nevada than in your own state.

2. **Spousal Liability**. Your spouse must sign a document, such as a guarantee, that makes your spouse liable for your financial obligations under the Franchise Agreement even if your spouse does not own any part of the franchise business. If you live in a community property state, your spouse may be liable for your financial obligations even if he or she hasn't signed anything. in either case, both you and your spouse's marital and personal assets, including your house, could be lost if your franchise fails.

3. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted.

4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

TABLE OF CONTENTS

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we", "us," or "our" means Wow Wow Hawaiian Lemonade Franchising, LLC, the franchisor. "You" or "your" means the person to whom we grant a franchise, whether you are an individual or a corporation, partnership, limited liability company or other legal entity, and includes all owners and partners of the person who buys the franchise.

The Franchisor, its Parent, and its Affiliates

We are a Nevada limited liability company that was formed on November 10, 2016. Our principal business address is 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260. We do business under the name "Wow Wow Hawaiian Lemonades®" and other trademarks we designate (the "Marks").

We began offering unit and multi-unit franchises in January 2017. We began offering regional developer franchises in April 2022. We have not previously offered franchises in any other line of business, nor do we operate any businesses under the Marks. We do not conduct any business activities other than franchising.

Our parent is C&G Franchise Development, LLC ("C&G"), a Nevada corporation formed in August 2019. C&G's principal place of business is 4362 South Elk River Road, Reno, Nevada 89511. C&G does not currently and has never offered franchises providing the type of business you will operate. C&G does not provide any products or services to our franchisees. C&G has never conducted any other line of business.

Our affiliate, The Hammer & Nails Salon Group, LLC ("H&N"), is a California limited liability company formed in February 2015. H&N's principal place of business is 101 Parkshore Drive, Suite 100, Folsom, California 95630. Since May 2015, H&N has offered franchises for a retail salon business that specializes in barbering, straight razor shaves, and hand and foot grooming, along with other grooming services, primarily for men under the name "Hammer & Nails®." H&N also offers regional developer businesses and has done so since January 2016. As of the issuance date of this Franchise Disclosure Document, H&N has sold 50 retail salon franchises and 15 regional developer franchises.

Our affiliate BPL Supplies, Inc. ("BPL") is a Nevada corporation that was formed on July 15, 2021. BPL's principal place of business is 475 E. Greg Street, Suite 101, Sparks, Nevada 89431. BPL sells certain products and services to our franchisees. BPL has never conducted any other line of business.

We do not have any predecessors. We do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchises We Offer

Unit Franchises

We offer franchises that are artisanal lemonade stands offering handcrafted, raw lemonades in multiple tropical flavor combinations; gourmet acai smoothie bowls; healthy bites such as gourmet toasts and grain bowls; cold brew coffee on tap; selected raw tropical smoothies; and various branded retail merchandise under the Marks ("Wow Wow Lemonade Stands"). Wow Wow Lemonade Stands are operated under a business format and system that includes our valuable know-how, information, recipes, trade secrets, training methods, Brand Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Wow Wow Lemonade Stands, all of which may be changed, improved, and further developed by us from time to time (the “System”).

Each Wow Wow Lemonade Stand will typically be conducted through a retail location that is located in or close to an indoor or outdoor retail center or mall that has easy access to highways or major thoroughfares and adequate parking.

You must operate your Wow Wow Lemonade Stand (the “Wow Wow Lemonade Stand” or “Lemonade Stand”) following our standard business operating practices and sign our standard franchise agreement (“Franchise Agreement”). Your Wow Wow Lemonade Stand must offer the services and products we authorize and require you to offer. We reserve the right to add, modify, or delete any services or products that you must offer or sell at your Wow Wow Lemonade Stand at any time upon written notice to you in our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Wow Wow Lemonade Stand.

Multi-Unit Franchise Agreement

We also offer a Multi-Unit Franchise Agreement. Under this program, we identify and assign a development territory (the “Territory”) where you, if you are a Multi-Unit franchisee, must open and operate a specified number of Wow Wow Lemonade Stands within a specified period. The Territory may be 1 city, 1 or more counties, or some other geographically-defined area. You would sign a Multi-Unit Franchise Agreement (Exhibit C), which will describe your Territory and your Development Obligation. The minimum number of Wow Wow Lemonade Stands that you must open under the Multi-Unit Franchise Agreement is 2 and the maximum number of Wow Wow Lemonade Stands under a Multi-Unit Franchise Agreement is 5.

For each Wow Wow Lemonade Stand you open under a Multi-Unit Franchise Agreement, promptly after our acceptance of the site for the Wow Wow Lemonade Stand, you will sign a separate Franchise Agreement on our then-current form.

Regional Developers

We also offer regional developer franchises. Regional developers help us grow our franchise system by recruiting, screening, developing, servicing, and supporting third-party franchisees in their development area. The regional developer franchise opportunity is offered under a separate Franchise Disclosure Document. If you purchase a franchise within an regional developer’s territory, the regional developer may provide you with certain initial and ongoing support. We began selling regional developer franchises in April 2022.

Market and Competition

The market for our products and services generally is highly competitive and well-developed. While your Wow Wow Lemonade Stand may be open year-round, the demand for your products may be higher in warmer climates or when the weather is warm. You will have to compete with franchised operations, national chains and independently owned companies providing similar products and services. These chains and companies include national brands such as Lemon Heaven and Just Squeezed. You may also encounter competition from other Wow Wow Lemonade Stands.

Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict.

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Lemonade Stand will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act. Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses.

You must comply with all local, state and federal laws applicable to restaurants, including licensing, health, sanitation, menu labeling, smoking, safety, fire and other matters, and food and safety regulations. Some jurisdictions may require franchisees to obtain restaurant, business, occupational, food products, health, alcohol, and miscellaneous licenses. Various federal and state agencies, including the U.S. Food and Drug Administration and the U.S. Department of Agriculture, and state and local health agencies have regulations for the preparation of food and the condition of restaurant and commissary kitchen facilities, as well as regarding the production, storage, and sale of unpasteurized juice. The Clean Air Act and state implementing laws may also require certain geographic areas to attain and maintain certain air quality standards for ozone, carbon monoxide and particulate matters. As a result, businesses involved in commercial food preparation may be subject to caps on emissions.

Agents for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

ITEM 2

BUSINESS EXPERIENCE

COO: Eric Kardon

Mr. Kardon has been our Chief Operating Officer since June of 2022. Between January of 2020 and June of 2022, Mr. Kardon was the Director of Operations for Angry Crab Shack Franchisee LLC based in Mesa, Arizona. Between September 2017 and December 2019, Mr. Kardon was the Vice President of Operations for Capital Tacos based in Tampa, Florida. Between February 2015 and September 2017, Mr. Kardon was an Operations Director with Get Lucky Group based in Tampa, Florida.

Regional Developers

Our regional developers assist us in selling and supporting franchise locations. If you buy a franchise for a Lemonade Stand located in the development region of an regional developer, the regional developer may provide you with initial and ongoing support and guidance. A list of our current regional developers, including their litigation and bankruptcy history for Items 3 and 4, is included as Exhibit K.

ITEM 3

LITIGATION

California Consent Order (FIL ORG. ID: 249128). On or about October 22, 2019, the State of California Commissioner of Business Oversight (the "Commissioner"), entered into a stipulated Consent Order with us, our former affiliate, Wow Wow, Inc., and our former President and owner, Todd Casselberry. In the Consent Order, the Commissioner found that we, Wow Wow, Inc., and Mr. Casselberry sold unregistered, non-exempt franchises in California from at least May 20, 2016 through September 8, 2016 in violation of the California Franchise Investment Law. The Commissioner found that we failed to promptly amend our registration in California to disclose the Washington Consent Order (described below). The Commissioner also found that we and the other respondents provided financial performance representations to a franchisee that were not disclosed in the FDD, and that we failed to disclose the existence of the Washington Consent Order to a prospective franchisee. Based on these violations, the Commissioner ordered us to cease and desist any further violation of the California Franchise Investment Law, to pay to the Commissioner a penalty of $1,000, and to refund to a California former franchisee $30,000. The Commissioner also ordered Mr. Casselberry, Mr. Weiderhoft, and all of our other principal offers, directors, trustees, and other individuals who have management responsibility relating to the sale or operation of franchises to attend California franchise law compliance education.

Washington Consent Order (Order No. S-17-2349-17-CO01). On or about March 11, 2018, the State of Washington Department Financial Institutions, Securities Division (the "Department"), entered into a stipulated Consent Order with us and with our former affiliate, Wow Wow, Inc. In the Consent Order, we and Wow Wow, Inc. acknowledged that two different license agreements that Wow Wow, Inc. had entered into with Washington residents constituted "franchises" as defined under the Washington Franchise Law. We also acknowledged that the offer of those franchises was in violation of Washington Franchise Law because no registration was on file with the state before we sold them, and because we failed to provide the franchisees with a franchise disclosure document prior to the sale. Based on these violations, the Department ordered us to cease and desist any further violation of Washington Franchise Law and pay to the Department investigative costs of $500.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement or, if applicable, Multi-Unit Franchise Agreement. Our standard initial franchise fee is currently $35,000 for the first Wow Wow Lemonade Stand. If you sign a Multi-Unit Franchise Agreement the initial franchise fee is payable in a lump sum when you sign the Multi-Unit Franhise Agreement and the amount will range from $60,000 (if your development obligation is for 2 Wow Wow Lemonade Stands, based on $35,000 for the first Wow Wow Lemonade stand and a reduced fee of $25,000 for the Second Wow Wow Lemonade Stand) up to $120,000 (with the initial franchise fee of $60,000 being increased by $20,000 for each of the third, fourth, and fifth, as applicable, Wow Wow Lemonade Stands included in your development obligation).

The initial franchise fee is fully earned by us when you sign the Franchise Agreement or Multi-Unit Franchise Agreement for the franchise(s) being purchased. The initial franchise fee is not refundable under any other circumstances.

Grand Opening Contribution

Unless otherwise required by applicable state law, you will pay to us an amount to be used to pay for your "Grand Opening Marketing Program" in accordance with the Grand Opening Marketing Budget and Plan you and we develop (the "Grand Opening Contribution"). The Grand Opening Contribution will require you to spend at least $7,500 and will be payable upon execution of the Franchise Agreement. If, for any reason, applicable state law does not permit us to collect the Grand Opening Contribution prior to opening your Restaurant, then you must pay our approved vendors and service providers for their products and services furnished in accordance with the Grand Opening Marketing Program at the times when due based on invoices presented to you.

Except as described above, we charge the initial franchise fee uniformly to all franchisees. All of the foregoing fees and payments are fully earned by us on receipt and are non-refundable.

Merchandise Purchase

You will be required to purchase an initial merchandise package from us or our affiliates. This package includes branded materials including decals, koozies, bags, shirts, uniform shirts, hydro flasks, growlers, and a customer experience sign. The cost of these items will depend on the size of your planned Wow Wow Lemonade Stand.

We reserve the right to reduce or waive the initial franchise fee for franchisees in our sole discretion. In 2021, we collected initial franchise fees between $20,000 and $35,000 for new franchises.

ITEM 6

OTHER FEES[1]

Name of Fee	Amount	Due Date	Remarks
Royalty	6% of your Gross Sales (Note 2).	Payable monthly on the tenth day of each month, or other day of the week or month we designate in the Brand Standards Manual.	Based on your Gross Sales during the previous month (or other period we designate).
Brand Fund Fee	2% of Gross Sales.	At the same time and in the same manner as the Royalty.	Based on your Gross Sales during the previous month (or other period we designate).
Local Stand Marketing Advertising Spend	$500 per month.	Each month	This is the minimum amount you must spend each month on advertising in your Territory. It is not paid to us. We reserve the right to collect this from you and spend it on your behalf if you do not spend the minimum required amount each month.

Name of Fee	Amount	Due Date	Remarks
Local Advertising Cooperative	Amount established by members of the Cooperative. Each franchisee participating in a Cooperative is entitled to one vote per owned Wow Wow Lemonade Stand. There is no minimum or maximum percentage of contribution.	Established by members of the Cooperative	We may form a Cooperative in your market. Your contributions will count towards your local advertising requirement. We and our affiliates are entitled to one vote for each owned Business in the Cooperative. Neither we nor our affiliates have controlling voting power in any existing Cooperative.
Technology Fee	Then-current fee; currently $350 monthly. This fee may be increased upon 30 days' prior written notice to you.	Payable monthly in advance on the 10th day of each month, starting on the 10th day of the first full calendar month following the Effective Date in advance for the second full calendar month following the Effective Date.	To set up, maintain and operate your company email on secured servers, as well as communicate with you through our third-party provider (currently MangoApps).
Default Fee	$500 per occurrence.	Payable upon demand	We have the right to charge this fee (in addition to our other rights and remedies) if you are not in compliance with our System standards.
Delayed Opening Fee	$750 monthly.	Payable monthly upon demand.	Payable if you fail to open a Wow Wow Lemonade Stand within 9 months of signing the Franchise Agreement.
Additional Initial Training	$1,000 per attendee for initial training and up to $200 per attendee per day for subsequent training programs. Also, you must pay all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters.	Prior to our providing any such training or advice	Payable if you wish to bring more than 2 people to the initial training program, or subsequently ask us to train additional staff. You must pay all travel, meal, lodging, salary, and living expenses for your attendees.

Name of Fee	Amount	Due Date	Remarks
Periodic Training	Up to $200 per person, per day for periodic training we provide. Also, you must pay all travel, lodging, meals, and other expenses we incur if we conduct training away from our headquarters.	Prior to our providing any such training or advice	You must pay all travel, meal, lodging, salary, and living expenses for your attendees.
Consulting Fee	$100 per hour, plus all travel, lodging, meals, and other expenses we incur	Prior to our providing any such training or advice	Payable if you request our assistance.
Audit Fees	Actual Cost of Audit Fees plus late charges and interest at 1.5% per month.	As incurred.	Payable only if the audit shows an understatement greater than 3% of reported amounts
Costs and attorneys' fees (Note 3)	Will vary under circumstances.	Upon settlement or conclusion of a claim or action, or in resolution of our efforts to collect past-due fees from you	Due when you do not comply with the Franchise Agreement
Interest	5% of the delinquent amount or the highest rate permitted by law, whichever is less.	Payable when any payment is overdue.	Payable only if you do not pay your bills on time. Interest begins from the date of underpayment.
Late Payment Fee	$100	Payable when any payment you owe us is overdue.	Payable only if you do not pay your bills on time.
Dishonored Payment Fee	$100	Payable when any payment you owe us is overdue.	If any check, electronic payment or other payment you tender to us is not honored for any reason, you must pay us an additional fee of $100 to help offset bank charges and administrative expenses.
Insurance	Our cost of premiums, plus an administrative fee equal to 20% of the cost of the premiums.	Upon demand	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.

Name of Fee	Amount	Due Date	Remarks
Transfer Fee	An amount equal to 66.67% of our then-current initial franchise fee.	With transfer application.	You must pay us a transfer fee equal to 66.67% of our then-current initial franchise fee upon transfer, except that if you are an individual transferring your rights and obligations to an entity owned by you, the transfer fee shall be $1500.
Renewal Fee	An amount equal to 66.67% of our then-current initial franchise fee.	Upon renewal of the Franchise Agreement.	In order to renew your Franchise Agreement, you must, among other things, pay us the renewal fee in a lump sum payment.
Professional Fees	All reasonable costs incurred by us with respect to your proposed transfer.	Upon demand	If you request our approval of a transfer of your business and do not consummate the transaction, you must reimburse us for the costs we incur related to the proposed transfer.
Supplier or Product Approval Fee	Reasonable costs incurred by us with respect to evaluating a supplier or product for which you request our approval, which will typically be between $200 and $1,000.	Upon demand	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Follow-up Inspection Fee	The inspection fee in effect at the time a follow-up inspection is required (currently $500).	On invoice.	Payable only if you fail an inspection by us, necessitating a follow-up inspection
Customer Complaint Resolution Fee	Varies; reasonable costs we incur for responding to a customer complaint, which will typically be between $20 and $100.	On invoice	Payable if a customer of your Wow Wow Lemonade Stand contacts us with a complaint and we act to resolve the complaint.
Indemnification	Will vary under circumstances.	As incurred	Payable to indemnify us, our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to your ownership and operation of your Wow Wow Lemonade Stand.

Name of Fee	Amount	Due Date	Remarks
Management Fee	$200 per day that we manage your Wow Wow Lemonade Stand, plus our direct expenses incurred on your behalf.	As incurred	Due when we (or a third party) manage your Wow Wow Lemonade Stand after your death or disability, or by exercising our step-in rights
Liquidated Damages	Liquidated damages are determined by multiplying the combined monthly average of Royalty Fees and Brand Fund Fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date on which you open your Wow Wow Lemonade Stand through the date of early termination, multiplied by the lesser of: (i) 24 months, or (ii) the number of full months remaining in the Term.	Within fifteen (15) days of the early termination of your franchise.	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

1. All fees paid to us are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may or may not be refundable depending on the vendors and suppliers. All fees listed in this Item 6 are uniformly imposed by us as to all franchisees.

All fees or money that you owe to us or our affiliates must be paid by electronic transfer no later than on the date they are due.

2. "Gross Sales" means all revenue accrued from the sale of all products and performance of services in, at, upon, about, through or from your Wow Wow Lemonade Stand (including local market events and conditions), whether for cash or credit and regardless of collection in the case of credit, and income of every kind and nature related to your Wow Wow Lemonade Stand including insurance proceeds and/or condemnation awards for loss of sales, profits or business, as will the full retail value of any gift certificate or coupon sold for use at your Wow Wow Lemonade Stand (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales); provided, however, that Gross Sales will not include revenues from any sales taxes or other add-on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, and the amount of cash refunds to, and coupons used by customers, provided such amounts have been included in Gross Sales, but will not include income from any specific product when the State, City or County that your franchise is located in specifically forbids such practice, and only then. Your monthly Royalty will be 6% of your Gross Sales.

3. If we prevail in any action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees and court costs.

In addition, if we become a party to any action or proceeding concerning the Franchise Agreement, or any agreement between us and you, or your Wow Wow Lemonade Stand, as a result of any claimed or actual act, error or omission of you or your Wow Wow Lemonade Stand, then you will be liable for our reasonable attorneys' fees incurred by us in the action or proceeding.

If we terminate the Franchise Agreement for your default, or if you terminate the Franchise Agreement through agreement with us, you must pay us all our expenses from your default or termination, including reasonable attorneys' and experts' fees and the future royalties that we anticipate losing because of the early termination of your Franchise Agreement. If we hire a collection agency or an attorney to collect from you money that is past due, we are entitled to reimbursement from you for all costs and expenses that we incur in doing so, including reasonable attorneys' fees.

4. Liquidated damages are determined by multiplying the combined monthly average of Royalty Fees and Brand Fund Fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date on which you open your Wow Wow Lemonade Stand through the date of early termination, multiplied by the greater of: (i) 24 months, or (ii) the number of full months remaining in the Term.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (UNIT FRANCHISE)

Investment	Amount- Range Estimated	Method of Payment	When Payable	To Whom Payment is Made
Initial Franchise Fee	$35,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Construction and leasehold improvements (Note 1)	$120,000 to $220,000 (before TI reimbursement)	As Incurred	As Agreed	Approved Suppliers
Real Estate Deposit and Rent (first three months) (Note 2)	$7,500 to $15,000	As Incurred	As Agreed	Landlord
Furnishings, Fixtures and Equipment (Note 3)	$35,000 to $65,000	As Incurred	As Agreed	Approved Suppliers
Signage	$5,000 to $8,000	As Incurred	As Agreed	Approved Suppliers
Inventory (Note 4)	$5,000 to $8,000	As Incurred	As Agreed	Approved Suppliers
Training (Airfare, Hotel, and Meals)	$3,000 to $4,000	As Incurred	As Agreed	Approved Suppliers
Computer Hardware and Software and Training	$3,000 to $10,000	As Incurred	As Agreed	Approved Suppliers
Utility deposits and fees	$1,000 to $1,500	As Incurred	As Agreed	Approved Suppliers
Grand Opening Contribution / Promotions (Note 5)	$7,500 to $10,000	Lump Sum	Upon signing of the Franchise Agreement	Us and Approved Suppliers
Business Licenses and Permits	$2,000 to $5,000	As Incurred	As Agreed	City / State / Licensing Authority
Additional Funds – (first three months reserves, working capital) (Note 6)	$25,000 to $40,000	As Incurred	As Agreed	Approved Suppliers and Employees
Insurance (Note 7)	$3,000 to $5,000	As Incurred	As Agreed	Approved Suppliers

Investment	Amount- Range Estimated	Method of Payment	When Payable	To Whom Payment is Made
Architect Fees	$8,000 to $14,000	As Incurred	As Agreed	Approved Suppliers
Legal & Accounting	$1,000 to $3,500	As Incurred	As Agreed	Approved Suppliers
Optional Drive-Through Addition (Note 8)	$0 to $100,000 (before TI reimbursement)	As Incurred	As Agreed	Approved Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 10)	$258,000 to $544,000			

YOUR ESTIMATED INITIAL INVESTMENT (MULTI-UNIT FRANCHISE)

Investment	Amount- Range Estimated	Method of Payment	When Payable	To Whom Payment is Made
Initial Franchise Fee (Note 9)	$60,000 to $120,000	Lump Sum	Upon signing of the Multi-Unit Franchise Agreement	Us
Construction and leasehold improvements (Note 1)	$120,000 to $220,000 (before TI reimbursement)	As Incurred	As Agreed	Approved Suppliers
Real Estate Deposit and Rent (first three months) (Note 2)	$7,500 to $15,000	As Incurred	As Agreed	Landlord
Furnishings, Fixtures and Equipment (Note 3)	$35,000 to $65,000	As Incurred	As Agreed	Approved Suppliers
Signage	$5,000 to $8,000	As Incurred	As Agreed	Approved Suppliers
Inventory (Note 4)	$5,000 to $8,000	As Incurred	As Agreed	Approved Suppliers
Training (Airfare, Hotel, and Meals)	$3,000 to $4,000	As Incurred	As Agreed	Approved Suppliers
Computer Hardware and Software and Training	$3,000 to $10,000	As Incurred	As Agreed	Approved Suppliers
Utility deposits and fees	$1,000 to $1,500	As Incurred	As Agreed	Approved Suppliers
Grand Opening Contribution / Promotions (Note 5)	$7,500 to $10,000	Lump Sum	Upon signing of the Multi-Unit Franchise Agreement	Us and Approved Suppliers
Business Licenses and Permits	$2,000 to $5,000	As Incurred	As Agreed	City / State / Licensing Authority
Additional Funds – (first three months reserves) (Note 6)	$25,000 to $40,000	As Incurred	As Agreed	Approved Suppliers and Employees
Insurance (Note 7)	$3,000 to $5,000	As Incurred	As Agreed	Approved Suppliers
Architect Fees	$8,000 to $14,000	As Incurred	As Agreed	Approved Suppliers
Legal & Accounting	$1,000 to $3,500	As Incurred	As Agreed	Approved Suppliers
Drive-Through Addition (Note 8)	$0 to $100,000 (before TI reimbursement)	As Incurred	As Agreed	Approved Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 10)	$283,000 to $629,000			

(Please see Notes below, which are an integral part of this Item)

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Wow Wow Lemonade Stand. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and the lending policies of financial institutions from which you request a loan.

We do not know whether any of the money you pay to third parties will be refundable. The Initial Fee you pay us is not refundable under any circumstances. In compiling this chart, we relied on the experience of our former affiliate, Aloha Wow Wow Hawaiian Lemonade, LLC, as the prior owner and operator of a Wow Wow Lemonade Stand similar to the franchise being offered to you from 2013 through 2019.

If you and we agree to enter into a Multi-Unit Franchise Agreement, we estimate that you will incur the same costs listed in Item 7 (other than the initial franchise fee) for each additional Wow Wow Lemonade Stand that you open. The minimum number of units you must agree to develop under a Multi-Unit Franchise Agreement is 2 and the maximum number of units is 5.

1. Leasehold Improvements. These amounts are our best estimate of the range of costs of leasehold improvements, based on our experience in constructing a Wow Wow Lemonade Stand and will likely vary substantially based on local conditions, including the availability and prices of labor and materials. They do not include capitalized costs of rent or other occupancy costs, over either the life of the lease or the life of your investment. These estimates assume that the landlord will provide a "grey shell" space that, at a minimum, includes concrete floors, demised exterior walls, HVAC, roof, ADA compliant bathroom and utilities stubbed to the premises sufficient for a Wow Wow Lemonade Stand. We recommend negotiating a tenant improvement ("TI") allowance with your landlord of $35-$50 per foot for a grey shell based upon the condition of the shell provided, which is not reflected in the Item 7 table above. In addition, these amounts do not reflect costs for the purchase of unimproved land and construction of a free-standing Wow Wow Lemonade Stand, which also would result in a significantly greater initial investment. This estimate does include tenant improvement allowance and any free rent that you may receive from the landlord for your Wow Wow Lemonade Stands. These costs could be substantially higher in certain markets, depending on the size of the cost of hiring any necessary contractors, and costs of materials, as well as shopping center construction fees, county or city building application and inspection fees, county, city, or state codes, and the cost to access existing plumbing. You should carefully investigate all of these costs in the area where you wish to establish your Wow Wow Lemonade Stands.

2. Real Estate. Your Wow Wow Lemonade Stand will typically be located in a retail center that has easy access to highways or major thoroughfares and adequate parking. Suitable space, as approved by us, will be rented; its size will be a minimum of 600, up to 1,200, square feet. The monthly amount that you spend on the space for your Wow Wow Lemonade Stand will depend upon its location and the size and condition of the leased premises. These estimated Real Estate costs are based on anticipated monthly lease payments. The figures listed in this Item may vary substantially from location to location. Typically (but not in every case), a landlord will require a security deposit equal to one month's rent and payment of one month's rent before giving you possession of the leased premises.

We anticipate that most of our franchisees will lease space for their Wow Wow Lemonade Stands. As a result, these amounts do not reflect costs for the purchase of real estate of for your Franchises Business, which also would result in a significantly greater initial investment.

3. Furnishings, Fixtures and Equipment. You must purchase furnishings, fixtures, and equipment specified by us in accordance with the Franchise Agreement and the standards and specifications contained in the confidential operations manual ("Brand Operations Manual") loaned to you by us,

including, without limitation, tables, chairs, lighting fixtures, signage, and certain equipment required in order to produce the required products (e.g. a juicing machine, food processors, blenders, refrigeration units, walk-in cooler, and freezers). The cost for you to purchase such furnishings, fixtures, and equipment may vary based on the location of your franchised business, the total square footage of the location you operate your business from, and the costs charged by suppliers servicing that location, as well as fluctuations in the price of such furnishings, fixtures, and equipment from time to time for other factors outside of our control. These amounts are our best estimate for the range of costs to purchase the required furnishings, fixtures, and equipment, based on our experience in constructing a Wow Wow Lemonade Stand but may vary substantially based on the foregoing factors.

4. Initial Inventory. You must purchase your initial inventory from suppliers approved by us, which may include our parent and/or our affiliate(s). This line item also includes the initial merchandise package you must purchase from BPL Supplies, Inc., as described in Item 5. While we generally believe that this initial inventory investment will be sufficient to last for up to three months, the actual length of time that you will experience holding your inventory will depend on your actual sales. As a result, this initial inventory estimate may not be sufficient to cover your actual needs during the first three months of operation.

5. Grand Opening Program. If you have not previously developed and opened a Wow Wow Lemonade Stand, you must conduct a Grand Opening Marketing Program for your Franchised Business in accordance with our Manuals, utilizing the tools, timing, technologies, services and products we authorize and direct. You and we will develop the budget and plan following the Grand Opening process described in the Manuals. You must spend at least $7,500 (not counting cost of food and beverages) on a Grand Opening Marketing Program for the Franchised Business during the Grand Opening time period beginning approximately 60 days before opening the Franchised Business through 30-60 days afterwards. You will pay to us the Grand Opening Contribution and we will administer payments to service providers and other vendors out of such funds. If, for any reason, we are unable to collect the Grand Opening Contribution from you when you sign your franchise agreement, then you must pay the service providers and vendors as and when we direct in accordance with the Grand Opening Marketing Budget and Plan. If you have previously developed and opened a Wow Wow Lemonade Stand, you must spend a minimum of $2,500 (exclusive of the cost of food and beverages) to conduct a Grand Opening Marketing Program for your Franchised Business during the Grand Opening time period beginning approximately 60 days before opening the Franchised Business through 30-60 days afterwards. We will not collect this amount and you will be obligated to pay vendors and service providers directly.

6. Additional Funds. Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses during the first three months the Franchised Business is open, including payroll for employees, lodging, meals and travel expenses for at least one person attending our training program, uniforms, utility deposits, sales taxes, dues, (including dues for belonging to such entities as Better Business Bureau, and Chamber of Commerce; you may choose to affiliate with other trade associations as you desire), recruitment, on-site training expenses, as well as additional operating capital for other variable costs (e.g., electricity, telephone, Internet service, Internet setup, etc.), paper, cleaning, cellular telephones, and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of Business operations. This estimate also includes the estimated cost of salaries for your employees, but does not include an estimated salary for you.

7. Insurance. You must purchase insurance as specified by us, in minimum amounts of coverage as specified by us. You must use an insurance carrier that has been approved by us. We may increase your insurance requirements during the term of the Franchise Agreement, and you must comply with the new requirements. This amount should cover the initial semi-annual payment for general business liability insurance and workers' compensation insurance. The exact dollar amount of your insurance payment will

be determined by the geographic location of your Wow Wow Lemonade Stand and the number of employees you are covering. This figure is our best estimate of these costs. It is possible that your initial insurance costs would exceed the numbers listed in this Item 7.

8. Drive-Through Addition. You may (but you are not required to) include a drive-through option in your Wow Wow Lemonade Stand.

9. Initial Franchise Fee for Multi-Unit Franchise Agreements. Your initial franchise fee will be based on the number of Wow Wow Lemonade Stands you commit to open under the Multi-Unit Franchise Agreement. The minimum number of Wow Wow Lemonade Stands you must open under a Multi-Unit Franchise Agreement is 2, and the maximum number is 5. The minimum initial franchise fee of $60,000 is based on the full $35,000 fee for the first location and a reduced fee of $25,000 for the second location. The initial franchise fee for each additional location, from the third through the fifth, as applicable, is $20,000 each, which results in the maximum initial franchise fee being owed upon signing a Multi-Unit Franchise Agreement being $120,000. The estimate does not include the build-out of any restaurant other than the first one.

10. Total Estimated Initial Investment. This Total Estimated Initial Investment in Item 7 includes our estimates of your initial startup expenses and funds for for the operation of your Wow Wow Lemonade Stand during the first three months your Wow Wow Lemonade Stand is open. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Wow Wow Lemonade Stand. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; the number of locations (for Multi-Unit Franchises); and the sales level reached during the initial period. You should conduct your own independent investigation of the costs of opening a Wow Wow Lemonade Stand in the geographic area in which you intend to open the Wow Wow Lemonade Stand. Additional funds for the operation of your Wow Wow Lemonade Stand will be required after the first three months of operation if sales produced by your Wow Wow Lemonade Stand are not sufficient to produce positive cash flow. Additional funds will also be required for each Wow Wow Lemonade Stand you commit to open under a Multi-Unit Franchise Agreement which, other than the initial franchise fee discussed in Note 9 above, will be incurred upon identifying the location for the future Wow Wow Lemonade Stands and throughout the buildout process. You should also review the figures listed in this Estimated Initial Investment Item 7 carefully with a business advisor before making any decision to purchase a franchise from us.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

You must establish and operate your Wow Wow Lemonade Stand in compliance with your Franchise Agreement and the standards and specifications contained in the Brand Operations Manual. We will communicate our standards and specifications to you in writing through the Brand Operations Manual.

In order to maintain our standards of consistent, high quality products and services, customer recognition, advertising support, value and uniformity in Wow Wow Lemonade Stands, you must purchase all of your required décor, inventory, goods, equipment, supplies, forms, products, services, and advertising materials used in or sold through your Wow Wow Lemonade Stand, per our specifications and standards, only from us or our approved or designated suppliers and distributors. You also must construct your Wow

Wow Lemonade Stand in a manner consistent with our standards. Wow Wow, and/or an Affiliate of Wow Wow, as applicable, has the right to charge a reasonable markup on all items that you are required to purchase from such party.

If we do not authorize a product, service, or supplier, you are prohibited from using it in your Wow Wow Lemonade Stand. It is a material breach of your Franchise Agreement if you buy products, equipment, supplies, inventory, goods or services from anyone other than our designated or approved suppliers and distributors (which may include us or our affiliates) without our prior written approval.

We formulate and modify our standards and specifications based on the market in general, as well as competitive and economic conditions, based on our experience. We do not provide any material benefits to you based upon your use of approved suppliers.

Supplier Approvals

We encourage you to source products locally, but you must first notify us and obtain our written approval for every product and supplier. We will provide you with our specifications and standards for approval. We will review your request and we will respond to you in writing (typically by e-mail) regarding our approval or disapproval of the supplier within 30 days after we have had the opportunity to review your request. We have no obligation to approve any request for a new supplier, product, or service, but we will not unreasonably withhold our approval. If you have not received our approval within 30 days, your request will be deemed to have been disapproved.

You may be required to pay our costs of testing. If the supplier proposed by you meets our criteria, we will permit you to contract with that approved supplier. We reserve the right to re-inspect the facilities and to retest the product of any approved supplier and to revoke any approval if the supplier fails to continue to meet our high standards. Our approval will be revoked if we determine, in our reasonable discretion, that an approved supplier has not continued to meet our standards. In that case, we will inform you in writing of our decision to revoke our approval, and you will be required to cease contracting with that supplier immediately after your receipt of our notice of revocation. Other than our costs of testing (if applicable), we do not charge a fee for approval.

The criteria and specifications that we use for evaluating approved suppliers will be available to our franchisees in our Brand Operations Manual. The Brand Operations Manual will include specifications and standards that we use to evaluate approved suppliers. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier’s willingness to pay us or our affiliates for the right to do business with our System.

Required Purchases Or Leases

A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Brand Operations Manual. We or our affiliates are the only approved suppliers of promotional materials, branded merchandise, and Mark-bearing items that you must buy for and use in your Restaurant. Other than those items, neither we nor our affiliates are approved suppliers for products or services, but we reserve the right to become approved suppliers, or the only approved suppliers, of them in the future.

Branded Merchandise

You must purchase from us, our affiliate(s), or our approved supplier(s), the Wow Wow Hawaiian Lemonades®-branded merchandise and logo-bearing items that we designate. We and our affiliates are the only approved suppliers of these items. We and our affiliates are not the only approved suppliers of other merchandise that we permit or require you to sell from your Restaurant.

Inventory and Equipment

Generally, you must purchase all of your inventory items, paper products, and supplies from suppliers approved by us, which may include us or our affiliate(s). We or our affiliate(s) may be the only approved suppliers of these items for Wow Wow Lemonade Stands. A list of the materials that you can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in our Brand Operations Manual. We reserve the right to be the only approved suppliers of certain items.

You must purchase all of your fixtures and equipment from suppliers approved by us, which may include us or our affiliate(s). Currently, however, we or our affiliate(s) are not approved suppliers or the only approved suppliers of fixtures and equipment for your Wow Wow Lemonade Stand.

Signage

You must purchase the exterior signage for your Wow Wow Lemonade Stand from our approved suppliers. Neither we nor our affiliates are approved suppliers of this signage.

Architectural Plans and Permits

You must use our required approved supplier for obtaining permits and creating the architectural plans for your Wow Wow Lemonade Stand. Neither we nor our affiliates are approved suppliers of these items.

Insurance

The Franchise Agreement requires you to furnish to us copies of all insurance policies required by the Franchise Agreement, or such other evidence of insurance coverage and payment of premiums as we request or permit. Insurance coverage must meet our minimum requirements, as prescribed in the Brand Operations Manual. All insurance policies must name us as an additional insured party. We are not an approved supplier or the only approved supplier of the required insurance policies.

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require, and satisfy other insurance-related obligations.

We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies you purchase must name us and any affiliate we designate as additional named insureds (and not additional insureds), and provide for 30 days' prior written notice to us of a policy's material modification or cancellation. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and your Wow Wow Lemonade Stand on your behalf. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

You must purchase and maintain throughout the term of the Franchise Agreement: (1) comprehensive commercial general liability insurance for your Wow Wow Lemonade Stand with an umbrella of at least $1,000,000 aggregate; (2) property and casualty coverage on each store location: (3) business interruption coverage; (4) automobile liability of $250,000 per person, $1,000,000 per accident, and $100,000 property damage for any vehicles used in the operation of your Wow Wow Lemonade Stand; (5) worker's compensation; (6) employer's liability insurance; (7) unemployment insurance; (8) state disability insurance; and (9) other insurance to meet any applicable statutory requirements.

Computer System

We also may require you to purchase computer systems from our designated suppliers, which will include a computerized Point of Sale System ("POS System"). The computer equipment must be connected to the Internet, which will facilitate our communications with you. Upgrades to the computer equipment may be required periodically. We reserve the right to be the only approved suppliers of the computer system, but presently, we are not a supplier or the only approved supplier of the computer system.

You may be required to enter into a hardware maintenance contract with a company of your choosing for other computers you use in your Wow Wow Lemonade Stand, so long as you follow our procedures for approval of such outside supplier. We are not an approved supplier or the only approved supplier of the hardware maintenance contract.

Real Estate

You must purchase or lease real estate for your Wow Wow Lemonade Stand according to the criteria that we will make available to you in the Brand Operations Manual. We are not an approved supplier or the only approved supplier of the real estate for your Wow Wow Lemonade Stand.

<u>Proportion of Required Purchases and Leases to All Purchases and Leases</u>

We estimate that the purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Wow Wow Lemonade Stand, from us or our designated or approved suppliers and distributors, or those meeting our standards and specifications, will be between 60% and 80% of your total cost to establish a Wow Wow Lemonade Stand and between 20% and 40% of your total cost of operating a Wow Wow Lemonade Stand (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

<u>Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue</u>

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates on our franchisees' purchase of products from our approved or required suppliers. We reserve the right to negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees, but we currently do not do so.

There are no caps or limitations on the maximum amount of payments, rebates, commissions or other consideration that we may receive from our suppliers as the result of franchisee purchases. Some of our officers own an equity interest in us (the franchisor) and our affiliates, and we may be an approved supplier or the only approved supplier for certain products or services. In 2021, we did not receive any consideration in connection with required purchases or leases by our franchisees.

In 2021, our affiliate BPL Supplies received $155,476 of revenue in connection with required purchases or leases by our franchisees. We received $8,324 in payments from BPL for purchases by our franchisees.

We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section In Agreement	Item In FDD
a	Site Selection & Acquisition/Lease	Section 3.1 and Addendum 1 of the Franchise Agreement; Sections 3.2 and 7.1 of the Multi-Unit Franchise Agreement	Items 7, 8, 11, and 12
b	Pre-Opening Purchase/Leases	Section 3.5 and Article 9 of the Franchise Agreement	Items 5, 7, 8, and 11
c	Site Development & Other Pre-Opening Requirements	Sections 3.2 – 3.9 of the Franchise Agreement; Section 7.1 of the Multi-Unit Franchise Agreement	Items 7, 8, and 11
d	Initial & Ongoing Training	Sections 10.1 – 10.3 of the Franchise Agreement; Section 6.1 of the Multi-Unit Franchise Agreement	Items 6, 7, and 11
e	Opening	Sections 3.7 – 3.9 and Addendum 1 of the Franchise Agreement	Item 11
f	Fees	Article 6 of the Franchise Agreement; Article 5 of the Multi-Unit Franchise Agreement	Items 5, 6, and 7
g	Compliance With Standards And Policies/Operating Brand Operations Manual	Articles 7, 8, and 9 of the Franchise Agreement	Items 8 and 11
h	Trademarks & Proprietary Information	Articles 7 and 12 of the Franchise Agreement	Items 11, 13, 14, and 16
i	Restrictions On Products/Services Offered	Sections 9.1 – 9.3, 9.10, 9.13 and 9.15 of the Franchise Agreement	Items 8, 11, 12, and 16
j	Warranty & Customer Service Requirements	Section 9.11 of the Franchise Agreement	Item 11
k	Territorial Development & Sales Quotas	Section 4.1.3 of the Franchise Agreement; Section 2.1 of the Multi-Unit Franchise Agreement	Item 12
I	Ongoing Product/Service Purchases	Sections 9.1 – 9.3 of the Franchise Agreement	Items 6 and 8

	Obligation	Section In Agreement	Item In FDD
m	Maintenance, Appearance And Remodeling Requirements	Sections 9.5 and 9.9 of the Franchise Agreement	Items 8, 11, 16, and 17
n	Insurance	Section 15.2 of the Franchise Agreement	Items 7 and 8
o	Advertising	Article 8 of the Franchise Agreement	Items 6, 7, 8, and 11
p	Indemnification	Section 15.1 of the Franchise Agreement; Sections 8.3 and 11.2 of the Multi-Unit Franchise Agreement	Item 6
q	Owner's Participation, Management, Staffing	Sections 9.6 and 9.7 of the Franchise Agreement	Items 11 and 15
r	Records and Reports	Section 6.6 and Article 13 of the Franchise Agreement	Item 11
s	Inspections And Audits	Article 13 of the Franchise Agreement	Items 6 and 11
t	Transfer	Article 11 of the Franchise Agreement; Article 8 of the Multi-Unit Franchise Agreement	Item 17
u	Renewal	Section 5.2 of the Franchise Agreement; Section 4.2 of the Multi-Unit Franchise Agreement	Item 17
v	Post-Termination Obligations	Articles 12 and 17 of the Franchise Agreement; Section 4.5 of the Multi-Unit Franchise Agreement	Item 17
w	Non-Competition Covenants	Article 12 and Addendum 3 of the Franchise Agreement; Exhibit I; Section 9.1 of the Multi-Unit Franchise Agreement	Items 15 and 17
x	Dispute Resolution	Article 18 of the Franchise Agreement; Section 11.16 of the Multi-Unit Franchise Agreement	Item 17
y	Liquidated Damages	Section 17.7 of the Franchise Agreement	Item 6

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not receive any consideration for placing financing with a lender, although we reserve the right to do so in the future. We do not guarantee your note, lease or obligation.

[This area intentionally left blank]

ITEM 11

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

Except as listed below, Wow Wow Hawaiian Lemonade Franchising, LLC is not required to provide you with any assistance.

Pre-Opening Assistance. Prior to the opening of your Wow Wow Lemonade Stand, we will provide the following initial services:

1. We do not select the site for your Wow Wow Lemonade Stand. However, at your request, we will advise you in determining appropriate factors and considerations for selecting a site for your Wow Wow Lemonade Stand. We will not unreasonably withhold our acceptance of a site that meets our requirements. We must approve or disapprove your site within a reasonable time after we receive from you notice of the site's location. We describe the site selection process later in this Item. (Franchise Agreement, Article 3)

2. We will communicate with you and the approved suppliers for the initial design and construction of your Wow Wow Lemonade Stand regarding our approval or disapproval of your construction plans and specifications for your Wow Wow Lemonade Stand. (Franchise Agreement, Article 3)

3. We will provide you with names of approved suppliers for your equipment, signs, fixtures, opening inventory, and supplies. We or our affiliate may be approved suppliers for some of these items, but you will be responsible for the delivery and installation of any such items. (Franchise Agreement, Article 9)

4. Before the opening of your Wow Wow Lemonade Stand, we will provide you with an introductory orientation and training program via our proprietary online curriculum and also in-person in Scottsdale, Arizona, or other designated location (the "Introductory Training Program") on the operation of a Wow Wow Lemonade Stand. We describe the Introductory Training Program later in this Item. (Franchise Agreement, Article 10)

5. We will loan to you during the term of the Franchise Agreement one copy of the Brand Operations Manual. We describe the Brand Operations Manual later in this Item. (Franchise Agreement, Article 9)

6. Provide you with specifications and a list of products for your initial equipment purchase and inventory order. (Franchise Agreement, Article 9)

Site Selection

We do not select the location of your Wow Wow Lemonade Stand. We generally do not own the premises or lease it to you. Finding a suitable location that conforms to local ordinances, building codes, and our guidelines is your responsibility. However, we will provide you with guidance regarding our standards for selecting a site, and you are required to obtain our approval for any site you choose.

You select the site of your Wow Wow Lemonade Stand within the Protected Area provided in the Franchise Agreement. We will either accept or reject the site in our sole discretion. If we accept a location submitted by you, we will enter it on Addendum 1 of your Franchise Agreement. Acceptance by us of a location is conditioned upon our determination, in our judgment, that the site that you have submitted for your Wow Wow Lemonade Stand is within your Protected Area and is a suitable site based upon criteria we establish from time to time.

We must determine that your proposed location meets or exceeds our standards, but our acceptance does not ensure that your Wow Wow Lemonade Stand will be profitable at the approved location. We will use reasonable efforts to help you analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. We will either accept or reject the site in our sole discretion. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis. The factors that we consider to approve your site(s) include (but are not limited to) general location and neighborhood, population demographics and density, traffic patterns, parking, size, physical characteristics of existing buildings, lease terms, local competition, local household income, and proximity to schools.

You must propose a location for your Wow Wow Lemonade Stand to us within 300 days of signing the Franchise Agreement. We will approve or disapprove your proposed site within 7 days after you present the information described above to us. If you and we disagree about the proposed location, you must locate another acceptable site for your Wow Wow Lemonade Stand and repeat the process. If you cannot open your business within 11 months of signing the Franchise Agreement, we have the right to, at our option, either assess a Delayed Opening Fee of $750 for each month, starting with the twelfth month, for which you continue not to open for business operations, or terminate the Franchise Agreement, without refund. (Franchise Agreement, Article 3).

Time to Open.

We estimate that there will be an interval of time of 9 to 11 months between the execution of the Franchise Agreement and the opening of your Wow Wow Lemonade Stand. The factors that may affect this length of time include obtaining a satisfactory site, remodeling and decorating the site, time for obtaining building permits, zoning and local ordinances, weather conditions, installation of software and computer systems, training, obtaining marketing materials, materials shortages, hiring as needed, obtaining financing arrangements, and delayed installation of equipment, fixtures and signs. You must open your Wow Wow Lemonade Stand within 6 months after the location we approve is available for your possession.

Post-Opening Obligations. During the operation of your Wow Wow Lemonade Stand, we will:

1. Provide periodic training programs regarding our latest products, techniques, methods, or processes. We have the right to charge you a fee of up to $200 per person, per day to attend these training programs. You will be responsible for paying the living and travel expenses of you and those of your personnel who attend training. (Franchise Agreement, Article 10)

2. At your written request (or as required in the Franchise Agreement), provide additional on-site assistance and supervision to you, which will be scheduled subject to our availability. If you request this additional assistance, you may be required to pay an assistance fee of $100 per hour. (Franchise Agreement, Article 10)

3. Make a representative reasonably available to speak with you by telephone during normal business hours. (Franchise Agreement, Article 10)

4. Provide you with specifications and standards and provide general guidance. (Franchise Agreement, Article 10)

Post-Opening Optional Assistance. During the operation of your Wow Wow Lemonade Stand, we may:

5. Advise you of operating problems found at your Wow Wow Lemonade Stand by disclosing them through reports submitted to or inspections made by us. We may furnish to you such guidance and assistance in connection with the operation of your Wow Wow Lemonade Stand, as we deem appropriate. (Franchise Agreement, Article 10)

6. Institute, maintain and administer a central advertising account (the "Brand Fund") for such advertising or public relations programs, as we, in our sole discretion, may deem appropriate to promote Wow Wow Lemonade Stands locally, regionally, or nationally. We describe the Brand Fund later in this Item. (Franchise Agreement, Article 8)

7. Coordinate the presence of the System on the Internet, including but not limited to e-commerce, web site use, social media and networking sites, and cyberspace applications. This includes all national, regional, state, and local websites regarding Wow Wow Lemonade Stands and our franchisees. We will have sole discretion, ownership and control over the design and contents of any website. If we operate such a website, the website will include a section that provides the address and telephone number of your Wow Wow Lemonade Stand, except that we reserve the right to de-list or remove your Wow Wow Lemonade Stand from the website if you are not in compliance with the terms of the Franchise Agreement. We also have the right to control all use of social media by you that mentions or uses the Marks. (Franchise Agreement, Article 7)

8. We are responsible for all product research and development, on which you may provide input and recommendations. We will periodically make changes to the products that we authorize and require you to sell at your Wow Wow Lemonade Stand. (Franchise Agreement, Article 9)

9. Establish an online portal through which franchisees may communicate with each other and through which we can disseminate updates to the Brand Operations Manual and other Confidential Information. You will be permitted to participate in any online portal so long as you are not in violation of the Franchise Agreement. (Franchise Agreement, Article 9)

10. In our discretion, designate geographic areas for the establishment of regional advertising cooperatives ("Cooperatives"). We describe the Cooperatives later in this Item. (Franchise Agreement, Article 8)

There is no specified date or period of time for us to complete our obligations stated above. Other than those mentioned above, we do not provide other supervision, guidance, or services during the operation of your Wow Wow Lemonade Stand.

Advertising

Brand Fund

We will administer a fund for marketing the System, the Marks, and Wow Wow Lemonade Stands (the "Brand Fund"). You must pay two percent (2%) of your Gross Sales to the Brand Fund. The fee is payable monthly or at other times that we designate in the Brand Operations Manual. The advertising requirements are uniform to all new franchisees after the date of this Franchise Disclosure Document, but certain franchisees who purchased their franchisees prior to such date pay us an amount equal to one percent (1%) of their Gross Sales to the Brand Fund. The fees you pay to the Brand Fund are not refundable.

Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Wow Wow Lemonade Stands owned by us will be required to contribute to the Brand Fund on the same basis as franchisees.

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Marks. We may use any media for disseminating Brand Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, our authorized representatives or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement or website indicating “Franchises Available” or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that were collected in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will provide to you an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. In 2021, we received payments of $41,830.61 and spent $115,709.17 on the Brand Fund. Of that amount, 44% was spent on production, 24% was spent on media placement, and 32% was spent on administrative expenses. (Franchise Agreement, Article 8.4)

We do not have an advertising council comprised of franchisees, but we reserve the right to create one.

Grand Opening Advertising

If you have not previously developed and opened a Wow Wow Lemonade Stand, you must conduct a Grand Opening Marketing Program for your Franchised Business in accordance with our Manuals, utilizing the tools, timing, technologies, services and products we authorize and direct. You and we will develop the budget and plan following the Grand Opening process described in the Manuals. You must spend at least $7,500 (not counting cost of food and beverages) on a Grand Opening Marketing Program for the Franchised Business during the Grand Opening time period beginning approximately 60 days before opening the Franchised Business through 30-60 days afterwards. The Grand Opening Marketing Program will use the marketing, advertising and public relations programs, media and materials we have developed or approved and is separate from your other marketing and advertising requirements. To the extent we do not manage the budget and expenditures for the Grand Opening Marketing Budget and Plan, you must submit expenditure reports to us to confirm your compliance with this requirement.

You will pay us the Grand Opening Contribution when you sign your Franchise Agreement and we will administer payments to service providers and other vendors out of such funds. If you decide to spend more than the minimum amounts stated in the Grand Opening Budget and Plan that you develop with us, then you will pay the additional amounts to the appropriate vendors as and when invoiced. We will provide you an accounting of the expenditures during the Grand Opening period based on the methods, procedures and reports we develop from time to time. We are only obligated to administer the Grand Opening Marketing Budget and Plan if you have paid to us the Grand Opening Contribution amounts you have agreed upon in the budget and plan.

If you have previously developed and opened a Wow Wow Lemonade Stand, you must spend a minimum of $2,500 (exclusive of the cost of food and beverages) to conduct a Grand Opening Marketing Program for your Franchised Business during the Grand Opening time period beginning approximately 60 days before opening the Franchised Business through 30-60 days afterwards. We will not collect this amount and you will be obligated to pay vendors and service providers directly.

Local Stand Advertising

You are required to spend a minimum of $500 per month advertising your Wow Wow Lemonade Stand in your local area. You must provide us with records of such spending upon our request.

All of your advertising, promotion, and marketing must be completely clear, factual, and not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within fifteen (15) days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved (Franchise Agreement, Articles 8.1 and 8.7.2)

Cooperatives

In our discretion, we may designate geographic areas for the establishment of Cooperatives. If your Wow Wow Lemonade Stand is within one of these geographic areas, you must become a member of the Cooperative. You need not join more than one Cooperative for the same Wow Wow Lemonade Stand. All Wow Wow Lemonade Stands, as well as Wow Wow Lemonade Stands owned by us or our affiliates, must become members in any Cooperatives that we establish for geographic regions in which they own locations.

Each Cooperative will be organized and governed in a form and manner that we approve, and we reserve the right to change the way that the Cooperatives are organized and governed in our sole discretion. We reserve the right to administer the fund, or to have an advertising agency do so.

If you are a member of a Cooperative, you must contribute to the Cooperative on a monthly basis all or part of your required local advertising expenditure. Your local advertising obligation will be reduced by the amount of money that you contribute to the Cooperative. We have the right to examine the books, records, and accounts of the Cooperative and to audit the Cooperative. (Franchise Agreement, Article 8.7).

Each Cooperative must be organized and governed in a form and manner approved by us, in advance, in writing. Each Cooperative must prepare annual financial statements and submit them to us. The statements will be made available to you for your review.

We require that each Cooperative governs from written organizing documents. As of the date of this Disclosure Document, no Cooperative has been formed and no governing documents are available for you to review. No changes to the organizing documents are permitted without our advance written approval.

We, in our sole and absolute discretion, have the right to require any Cooperative to be formed, or have the governing documents changed. We also have the right to require that any Cooperative dissolve or merge into another Cooperative.

Computer System.

You must obtain and use in your Wow Wow Lemonade Stand a POS System designated by us. The POS System will generate reports on the sales and expenses of your Wow Wow Lemonade Stand. The POS System will consist of a minimum of the following: CPU, cash drawer, high-speed data communication device (credit card processing and remote report generation), receipt printer(s), touch screen monitor(s), database software, operating systems software, communications software, and management software.

We estimate that the cost of purchasing or leasing the POS System will range from $7,000, and you will also pay our approved supplier $1,000 for POS System training. You will also be required to pay the then-current monthly fee (currently between $250 and $350) to us or our approved supplier(s) for the required software. We reserve the right to, in the future, consolidate POS Systems, in which case you will no longer be required to separately pay to lease the POS System but will instead pay an increased Technology Fee (following 30 days' notice) to cover your use of the POS System. The Technology Fee is payable in advance by the 10th day of each calendar month for the following calendar month, starting on the 10th day of the first full calendar month following execution of your Franchise Agreement for the Technology Fee owing for the second full calendar month following execution of your Franchise Agreement.

You will be responsible to upgrade or update the POS System during the term of the franchise agreement, to ensure the system adheres to the most current software versions and software license terms. We reserve the right to require you to upgrade or update the POS System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We have independent, unlimited access to the information generated by the POS System. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop and maintain, on your signing of a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights concerning, the software or technology.

Neither we, nor any affiliate or third party, will be obligated to provide ongoing maintenance, repairs, upgrades or updates for the POS System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the POS System, but we reserve the right to do so in the future. The annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be dictated by the POS System supplier.

You are required to use the POS System to record all sales at your Wow Wow Lemonade Stand, and we will have the unlimited right to independently access all of the information that is generated or stored on your POS System. There are no limitations on the type of information we can access, or the times or frequency of when we access such information. No compatible equivalent component or program has been approved by us. (Franchise Agreement, Article 13)

Brand Operations Manual.

We will loan you a copy of our Brand Operations Manual, which may include one or more manuals and other written materials for the operation of a Wow Wow Lemonade Stand, containing mandatory and suggested specifications, standards and operating procedures required by us and information relative to your other obligations under the Franchise Agreement. We have the right to add to, and otherwise modify, the Brand Operations Manual to reflect changes in authorized products and services, changes in specifications, standards and operating procedures of a Wow Wow Lemonade Stand. You must keep the Brand Operations Manual confidential and current, and may not copy any part of the Brand Operations Manual.

We will loan you one copy of the Brand Operations Manual after you sign the Franchise Agreement. We may provide this to you electronically. You must comply with all policies and procedures in the Brand Operations Manual. We may modify them at any time. The total number of pages is 136. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify you if there are any changes made to the policies or procedures so that you can comply. You must update your copy of the Brand Operations Manual, as instructed by us. We disclose the Table of Contents to the Brand Operations Manual as Exhibit F to this Franchise Disclosure Document. (Franchise Agreement, Article 9)

Introductory Training Program and Ongoing Training

The Introductory Training Program is generally a total of 100 hours, depending on your progress and performance. The first part of the program is conducted remotely online. The second part of the program will be held at the Wow Wow Lemonade Stand in Scottsdale, Arizona, and/or at your Wow Wow Lemonade Stand immediately prior to and during the opening of your Wow Wow Lemonade Stand. The Introductory Training Program is free of charge to you and one additional person, except that you are responsible for costs associated with attending the program such as travel, lodging and meals. You and your designated attendee must complete the training program to our reasonable satisfaction, as determined by the specific program instructors listed in the training schedule below. Training is mandatory for you and your Manager.

We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of your Wow Wow Lemonade Stand.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates, as our training program continues to evolve. This training schedule is fully detailed in the Brand Operations Manual and will change from time to time (Franchise Agreement, Articles 9 and 10).

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Recipe Training – Part I	30	-	Online
Recipe Self-Practice	30	-	Your Location
Recipe Training – Part II	-	20	Scottsdale, Arizona

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Operations Training	-	20	Scottsdale, Arizona
Totals	60	40	

The instructional materials used for all topics of training will consist of the Brand Operations Manual. The online training will be offered to you after you sign the Franchise Agreement and the training at our Scottsdale, Arizona location will be offered every 10 to 14 weeks or as otherwise may be needed.

Our Trainer

Tina Webb, our Corporate Trainer, is our trainer for the Initial Training Program. Tina has been with us since our inception and has over 8 years of industry experience.

We will provide you with periodic training programs regarding our latest products, techniques, methods, or processes. If we require you to attend one of these training programs, we have the right to charge you a fee of $200 per person, per day. You will be responsible for paying the living and travel expenses of you and those of your personnel who attend training.

The cost for additional attendees beyond you and one other person to attend the Initial Training Program is $1,000 per person. You are also responsible for all out-of-pocket expenses such as travel, lodging, meals and wages.

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

The Franchise Agreement specifies that we will not establish, nor license another party to establish, another Wow Wow Lemonade Stand under the Marks within the area identified on Addendum 1 to your Franchise Agreement (the “Protected Area”). This proximity protection will remain for the initial franchise term. Your exclusivity in the Protected Area is limited because we will continue to have the right to sell products under the Marks through dissimilar channels of distribution and establish Non-Traditional Locations within the Protected Area, as discussed below.

We must approve your proposed Protected Area even if the area is identified by us in advance. The size of your Protected Area will depend on several factors, including but not limited to the geographic location of your Wow Wow Lemonade Stand and the population density in the area of your Wow Wow Lemonade Stand. Generally, your Protected Area will be defined by U.S. postal codes, and will be the lesser of either: (i) an area with a daytime population of 100,000 people; or (ii) a radius of 3 miles. When determining the size and area of your Protected Area, we generally use statistics provided by the U.S. Census Bureau.

We must approve all proposed franchise locations even if the locations are identified by us in advance. We will enter the location we approve (the “Approved Location”) on Addendum 1 to the Franchise

Agreement. After we approve your Approved Location, we will designate your Protected Area by describing it on Addendum 1.

You are permitted to advertise, or solicit orders from, outside of your Protected Area if those activities are not conducted within another Wow Wow Lemonade Stand's Protected Area. You are not permitted to advertise, or solicit orders from, any area that is within another Wow Wow Lemonade Stand's Protected Area. We reserve the right to limit any advertising or soliciting activity by you to be within your Protected Area only.

You may use, reference or promote your Wow Wow Lemonade Stand in connection with social media networks or platforms, but only with our approval and in compliance with our applicable policies. You are not permitted to have an individual website for your Wow Wow Lemonade Stand, but we (so long as you are in compliance with the Franchise Agreement) will list your Wow Wow Lemonade Stand on our System Internet web site, and we may provide you the opportunity to add some content to that site.

You may sell and provide products and services from temporary locations within your Protected Area such as farmer's markets and off-site events. If you have a Lemonade Trailer, you may operate it at temporary sites or events within the Protected Area. You may also provide catering and delivery service to customers within your Protected Area. Otherwise, you do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Protected Area or from locations other than your Wow Wow Lemonade Stand. You are not permitted to have an individual website for your Wow Wow Lemonade Stand. You may choose, however, to promote your business via alternate on-line strategies consistent with our on-line policy. Our on-line policy may restrict you from using any on-line promotional strategies whatsoever and is subject to any and all modifications or restrictions as we decide in our sole and absolute discretion.

You must receive our permission before relocating, and we will not approve any requested relocation if the new location is within another franchisee's protected area. In order to maintain your Protected Area, you must have average monthly Gross Sales equal to or greater than thirty thousand dollars ($30,000) after the first 24 months that your Wow Wow Lemonade Stand is open. For purposes of determining whether you have met this requirement, we will analyze your Gross Sales for the most recent three (3) calendar months on the 24th month anniversary of your Wow Wow Lemonade Stand being opened. If you fail to reach this number, any exclusivity afforded to you in your Protected Area will automatically terminate without notice from us, and we will then be able to place another franchisee or corporate location within the Protected Area. We also have the right to terminate our grant, or reduce the size, of your Protected Area if you default under the Franchise Agreement for, among other things, failing to maintain our standards, or failure to pay royalty and other fees when they become due.

Your Protected Area will not be altered if there is a population increase or decrease. On renewal, acquiring a successor franchise, or transferring your franchise, your Protected Area may be modified. Depending on the then-current demographics of the Protected Area, and on our then-current standards for territories, if the Protected Area is larger than our then-current standard territory, we may require you or the transferee to accept a successor franchise territory or a transfer territory smaller than the Protected Area.

Multi-Unit Franchise Agreement

Under the Multi-Unit Franchise Agreement, we grant you the right to open and operate a minimum of two and maximum of five Wow Wow Lemonade Stands at locations in a specified Multi-Unit Territory, subject to our approval. The Multi-Unit Territory may be one or more cities, counties, states, or some other defined area. During the term of the Multi-Unit Franchise Agreement, we will not operate or grant a license or franchise to any other person to operate a Wow Wow Lemonade Stand at any location within your Multi-Unit Territory except as stated below. Any Wow Wow Lemonade Stand you develop at a Non-Traditional Location will not count towards your Development Obligation.

Under the Multi-Unit Franchise Agreement, the continuation of your territorial exclusivity is dependent upon your compliance with your Development Obligation and other obligations under the Multi-Unit Franchise Agreement.

If you fail to meet any of your obligations under the Multi-Unit Franchise Agreement, including the Wow Wow Lemonade Stand opening obligations, or commit a material breach of any agreement between you and us, we may terminate your right to further open and operate new Wow Wow Lemonade Stands in the Multi-Unit Territory. The termination for this reason of the right to develop your Multi-Unit Territory will not terminate any rights granted under the Franchise Agreements then in effect between you and us, absent a breach of the Franchise Agreement itself. After the expiration of the term of your Multi-Unit Franchise Agreement, we may own, operate, franchise or license others to operate additional Wow Wow Lemonade Stands anywhere, without restriction, including in your Multi-Unit Territory, subject to the rights granted to you in the Protected Area established under any then-existing Franchise Agreement.

Limitations on Territorial Rights Under Franchise and Multi-Unit Franchise Agreements

Except as stated above, we and our affiliates retain all rights in the Protected Area and Multi-Unit Territory for engaging in any activities we deem appropriate whenever and wherever we desire, including, but not limited to the following rights:

(1) The right to establish or operate or license any other person or entity to establish other facilities, businesses, kiosks, outlets, or Internet websites under trademarks or names other than the Marks, which are not Wow Wow Lemonade Stands, inside or outside of your Protected Area or Multi-Unit Territory. These businesses may offer services similar to those you offer at your Wow Wow Lemonade Stand, but will not be operated under the Marks.

(2) The right to provide, offer and sell and to grant others the right to provide, offer and sell goods that are identical, similar to, and/or competitive with those provided at Wow Wow Lemonade Stands, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including retail stores, grocery stores, the Internet, and electronic media) both inside and outside your Protected Area or Multi-Unit Territory and on any terms and conditions we deem appropriate.

(3) The right to operate, and to grant others the right to operate, Wow Wow Lemonade Stands located at any Non-Traditional Location anywhere, regardless of whether it is inside or outside of your Protected Area or Multi-Unit Territory. A "Non-Traditional Location" is a transportation facility, sporting facility, travel plaza, institutional feeding facility, government institution or facility, shopping mall, educational facility, casino, amusement park, or military facility.

(4) The right to sell products and services using the Marks to customers located within your Protected Area or Multi-Unit Territory, for so long as they are not sold at or provided from locations within your Protected Area or Multi-Unit Territory.

(5) The right to operate, and to grant others the right to operate Wow Wow Lemonade Stands located anywhere outside your Protected Area or Multi-Unit Territory under any terms and conditions we deem appropriate and regardless of proximity to your Protected Area or Multi-Unit Territory.

(6) The right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Wow Wow Lemonade Stands, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licenses of these businesses) are located or operating (including in your Protected Area or Multi-Unit Territory.). We will not, however, permit any such business located within your Protected Area or Multi-Unit Territory to operate under our Marks.

(7) The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Wow Wow Lemonade Stands, or by another business, even if such business operates, franchises, and/or licenses competitive businesses within your Protected Area or Multi-Unit Territory. We will not, however, permit any such business located within your Protected Area or Multi-Unit Territory to operate under our Marks.

We are not required to pay you if we exercise any of the rights specified above within your Protected Area or Multi-Unit Territory.

Right of First Refusal

You will not have the right of first refusal to acquire additional franchises within your Protected Area. You will not have the right of first refusal to acquire additional franchises within your Multi-Unit Territory (if you have one) except as stipulated under your Development Obligation, and then only to that extent. We do not customarily grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective protected areas or multi-unit territories.

Right of First Refusal; Other Franchise Systems

Other than through the Multi-Unit Franchise Agreement, we do not grant to franchise owners options, rights of first refusal or similar rights to acquire additional franchises outside of their respective franchised areas, although we do retain the right to do so within our sole discretion. You do not have the right to open any additional locations without a Multi-Unit Franchise Agreement.

Although we and our affiliates have the right to do so (as described above), neither we nor our affiliates have operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks. If we or our affiliates purchase, merge, acquire, are acquired by or affiliate with an existing competitive franchise network, chain or any other business, then we or our affiliates will have the right to operate, franchise or license those businesses and/or facilities under marks different than the Marks in your Protected Area or Multi-Unit Territory.

[This area intentionally left blank]

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant you the nonexclusive right to use our Marks in connection with the operation of your Wow Wow Lemonade Stand. You may also use our other current or future trademarks authorized by us to operate the Wow Wow Lemonade Stand. We have registered the following marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Trademark	Application Number Application Date	Registration Number Registration Date	International Class of Goods
Wow Wow Hawaiian Lemonades (Word Mark)	86,810,970 November 5, 2015	4,996,859 July 12, 2016	043
Aloha Wow Wow Hawaiian Lemonades (Logo Mark)	87,083,716 June 24, 2016	5140770 February 14, 2017	043
(Logo Mark)	97059180 October 4, 2021		043
	97059112 October 4, 2021		

All required affidavits have been filed, and we intend to file any other affidavits and/or filings required to maintain our interests in and to the Marks. You must follow our rules when you use any of the Marks.

There are presently no effective determinations by the United States Patent and Trademark Office, the Trademark Trial And Appeal Board, the Trademark Administrator of any state or any court, nor any pending interference, opposition or cancellation proceeding or material litigation involving the Marks.

You will have the right to use all of our Marks in the operation of your Wow Wow Lemonade Stand. However, you must use the Marks only for the operation of your Wow Wow Lemonade Stand and in the manner authorized by us. You cannot use the names or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our Marks in connection with the sale of unauthorized goods or services, or in a manner not authorized in writing by us.

You must notify us immediately in writing of any apparent infringement or challenge to your use of our trademarks. We have the sole discretion to take such action as we deem appropriate. We are not obligated by the Franchise Agreement or other agreement to participate in your defense or to indemnify you if you are a party to any administrative or judicial proceeding involving our Marks.

You may not, without our written consent, in our sole discretion, commence or prosecute, or seek leave to intervene in any litigation or other proceeding, including any arbitration proceeding, in which you purport to enforce any right or recover any element of damage arising from the use or infringement of any of the Marks or unfair competition resulting from that use.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any Marks, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions for such modification, discontinuance, or substitution within a reasonable time after you receive notice from us. You, in connection with the use of a new or modified mark, may be required, at your own expense, to remove existing signs from your Wow Wow Lemonade Stand, and to purchase and install new signs. We do not have to reimburse you for the costs you incur for making these changes.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents are material to the franchise.

We claim copyright protection of the Brand Operations Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered our property and may be used by you only as provided in the Franchise Agreement. We reserve the right to register any of our copyrighted materials at any time we deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If you or your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes (“Improvements”) in the operation of your Wow Wow Lemonade Stand, you will grant-back exclusive rights in these Improvements to us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work-made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights to the item.

We may include any Improvements we made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Wow Wow Lemonade Stand, Brand Operations Manual and the System for use by all franchisees, us or any affiliate. If we seek patent protection or copyright registration for any Improvements, we will do so at our own expense. You will sign or have the creator sign all documents necessary to enable us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of your employees sign an agreement requiring employee cooperation with these requirements. You must obtain our express written consent before making any modification or derivative work.

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "Confidential Information"). We will disclose certain of the Confidential Information to you during the training programs, seminars and conventions, in the Brand Operations Manual and in guidance furnished to you during the term of the Franchise Agreement.

The Franchise Agreement provides that you will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Wow Wow Lemonade Stand during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition. You also agree that the Confidential Information is proprietary to us and is disclosed to you solely on the condition that you (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures required by us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of your Wow Wow Lemonade Stand.

The Brand Operations Manual will at all times remain our property exclusively. We may revise the Brand Operations Manual, and you must comply with each new or changed standard, although these new and changed standards will not materially affect your rights and responsibilities under the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Wow Wow Lemonade Stand must at all times be under your direct, day-to-day, full-time supervision. If you are a legal entity, you must have a Manager, approved by us. Your Manager will be required to attend and successfully complete our Initial Training Program. If your Manager is unable to complete (or pass) our Initial Training Program to our satisfaction, we will require you to designate an alternative manager that must attend and pass the Initial Training Program. You or your Manager must use his or her best efforts in the operation of your Wow Wow Lemonade Stand. You (and, if applicable, your Manager) must complete our Initial Training Program. If you signed a Multi-Unit Franchise

Agreement, when you open your second and each subsequent Wow Wow Lemonade Stand within your Multi-Unit Territory, you must designate a Director of Operations who will be involved in the day-to-day operations of all Wow Wow Lemonade Stands which you own in specified geographic areas.

If you are a legal entity, then all your directors, members, partners, and/or officers and any individual that owns an interest in you or the Franchise Agreement must sign a guarantee agreement assuming and agreeing to be personally responsible for all of the obligations of the Franchise Agreement, and agree to be bound by the confidentiality provisions and non-competition provisions of the Franchise Agreement and agree to certain restrictions on their ownership interests. The required Guaranty of Obligations is attached to the Franchise Agreement as Addendum 3.

You must take all necessary precautions to ensure that the persons listed in the Franchise Agreement as owners of an equity interest, and any representatives and beneficial owners of the Franchise Agreement, sign the Confidentiality/Non-Competition Agreement (Exhibit I), and you must forward a copy of these signed agreements to us. You also must ensure that your Manager and any of your employees that have access to our trade secrets and confidential information each sign the Confidentiality/Non-Competition Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only products and services that have been approved and specified by us in the Brand Operations Manual and any updates that are incorporated in the Brand Operations Manual from time to time. You may not offer for sale any products or services not specifically approved by us in writing and you may not use your Wow Wow Lemonade Stand premises for any other purpose than the operation of a Wow Wow Lemonade Stand and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Brand Operations Manual. There are no limits on our ability to make changes to the products or services we require you to sell.

If permitted by applicable law, we may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment and pay any fees relating to the use of that equipment. If we establish a gift card or loyalty program, we have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

You may not sell products or services, or advertise products or services, within another franchisee's Protected Area. You may sell products or services at temporary locations within your Protected Area such as farmer's markets and off-site events. You may provide catering or delivery service to customers within your Protected Area. If you have a Lemonade Trailer, you may operate it only within your Protected Area.

You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. You may not establish an account or participate in any social networking sites except as explicitly provided for by our on-line policy. You may not mention or discuss the franchise, us or any of our affiliates, without our prior written consent and as subject to our on-line policy. Our on-line policy may completely prohibit you from any use of the Marks in social networking sites or other on-line use. Otherwise, we place no restrictions upon your ability to serve customers provided you do so from the location of your Wow Wow Lemonade Stand in accordance with our policies.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Unit Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	Agreement starts the on date it is signed and ends 10 years later.
b. Renewal or extension of the term	Section 5.2	You are permitted to acquire an unlimited number of additional terms of 5 years each if you meet the requirements listed in Article 5 of the Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 5.2	Advance written notice, not later than 90 days or earlier than 180 days, to renew; sign most current form of Franchise Agreement which may contain substantially different terms and conditions than your current Franchise Agreement, including a smaller geographic Protected Area; have fully performed your obligations under the Franchise Agreement, including obligation to be current in payment of all monetary obligations to us, and not have committed two or more breaches of the Franchise Agreement during any 12-month period during the term; remodel your Wow Wow Lemonade Stand; pay our Renewal Fee. If you seek to acquire a successor franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 16.5	You may terminate the Franchise Agreement by notice to us if we fail to perform material obligations. You must give us notice, and 60 days to cure or commence cure.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 16.1 – 16.3	We can terminate the Agreement by notice to you, with or without a cure period, if you breach a material provision of the Franchise Agreement.
g. "Cause" defined - curable defaults	Section 16.3	Except as described in (h), you have 10 days after notice to cure breaches relating to your: (a) failure to obtain or maintain required insurance coverage; (b) failure to pay any amounts due to us or our affiliate or parent; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); (d) failure to pay any amounts for which we have advanced funds for or on your behalf, or upon which we are acting as guarantor of your obligations; (e) owners being engaged in a dispute with one another (deadlock) that materially affects the operation of your Wow Wow Lemonade

Provision	Section in Franchise Agreement	Summary
		Stand, which dispute or deadlock remains unresolved after the expiration of the 10-day cure period; or (f) Violation of any provision of the Franchise Agreement concerning the use and protection of the Marks or Confidential Information. You will have 30 days after notice to cure any breaches of the Franchise Agreement not listed in Sections 16.1 or 16.2.
h. "Cause" defined – non-curable defaults	Section 16.1	You will not have an opportunity to cure defaults, and we are entitled to terminate the Franchise Agreement upon notice, if you: (a) abandon your Wow Wow Lemonade Stand or fail to keep it open for a period of three (3) consecutive days, unless it is for a reason beyond your control; (b) are adjudicated bankrupt or insolvent, admit to an inability to meet financial obligations as they become due, or make a disposition for the benefit of your creditors; (c) have your assets seized, foreclosed, or taken over; (d) or any of your managers, officers, members, directors, or owners are convicted of or plead no contest to a felony or other criminal misconduct relevant to the operation of your Wow Wow Lemonade Stand; (e) make an unauthorized transfer of the business; (f) fail to comply with any material federal, state, or local law or regulation applicable to the operation of your Wow Wow Lemonade Stand; (g) Make any material misrepresentations relating to your acquisition of the franchise or in connection with the operation of the franchise including any intentional understatement of revenue or failure to report revenue; (h) Violate any covenant not to compete or relating to confidential information; (i) Submit on two or more occasions during the term financial information which understates your Gross Revenue by more than 2%, unless you demonstrate that such understatement resulted from inadvertent error; (j) engage in any activity that has a material adverse effect on the System or the Marks; (k) you receive from us 2 or more notices of default under the Franchise Agreement within a 12 month period regardless of whether you cured those defaults; (l) you or any of your owners, officers, directors, managers, members, agents, or employees make any misrepresentation relating to, or violate, the United States' laws against terrorism.
i. Franchisee's obligations on termination/non-renewal	Article 17	Upon termination you must cease operating as a Wow Wow Lemonade Stand, pay all sums due us, cease to use the Marks, assign the lease to us at our request, cancel any fictitious name which contains the Marks, turn over all Operations Brand Operations Manual, records, files and any materials relating to the operation of your Wow Wow Lemonade Stand, cancel or transfer all telephone numbers and directory listings to us, and comply with all covenants.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	Section 11.1	We may transfer all or any part of the System, the Franchise Agreement, or the Marks without your consent.
k. "Transfer" by franchisee – defined	Section 11.2	Includes transfer of contract, premises of your Wow Wow Lemonade Stand, assets, or change of more than 50% of the ownership of you (if you are a legal entity)
l. Franchisor approval of transfer by franchisee	Section 11.3	You cannot transfer the Franchise Agreement without our consent.
m. Conditions for franchisor approval of transfer	Section 11.3	We have the right to condition our approval of any transfer proposed by you upon the following: (a) You must be in full compliance with the Franchise Agreement and pay all outstanding fees owed to us or our its affiliates; (b) We must have declined our right of first refusal; (c) Your transferee must have completed the initial training program to our satisfaction; (d) Your transferee must execute our then-current form of franchise agreement, or assume your existing franchise agreement (at our option); (e) You must pay us a transfer fee equal to 66.67% of our then-current initial franchise fee upon transfer, except that if you are an individual transferring your rights and obligations to an entity owned by you, the transfer fee shall be $1500; (f) You and your owners must execute a general release of all claims against us, our affiliates, and shareholders, officers, directors, employees, agents, successors, and assigns; (g) The transfer must be conducted in compliance with all applicable federal, state, and local laws and regulations; and (h) Your transferee must assume all of your liabilities and obligations relating to your Wow Wow Lemonade Stand.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 11.4	You must give us written notice of intent to sell or otherwise transfer the Franchise Agreement. We have 30 days from the date that you give us written notice to determine whether we will exercise our right of first refusal. We can match any bona fide written offer for your Wow Wow Lemonade Stand.
o. Franchisor's option to purchase franchisee's business	Section 17.5	At termination or expiration of the Franchise Agreement, we have the option to purchase your assets for fair market value. The fair market value will be determined by an independent restaurant equipment supplier we select.
p. Death or disability of franchisee	Section 11.6	The deceased or incapacitated person must designate a successor to his or her interest in your Wow Wow Lemonade Stand, which must be approved by us, within 6 months of death or incapacity. We have the right to approve all transfers.
q. Non-competition covenants during the term of the franchise	Section 12.3	Unless we agree otherwise in writing, you may have no involvement in any business that: (i) is similar to Wow Wow Lemonade Stands: (ii) has similar decor or similar menu items to a Wow Wow Lemonade Stands; or (iii) sells any products that are similar to or the same as those sold at Wow Wow Lemonade Stands (including handcrafted lemonades, acai bowls, and raw superfood smoothies) as a combined total of 20% or more of all menu sales (a "Competitive Business").
r. Non-competition covenants after the franchise	Section 12.4	Unless we agree otherwise in writing, you may have no involvement in any Competitive Business, for three years at any site within your

Provision	Section in Franchise Agreement	Summary
is terminated or expires		Protected Area or within 30 miles of any Wow Wow Lemonade Stand then-existing. Except with the operation of a Wow Wow Lemonade Stand under a valid Franchise Agreement, you may not use our Trade Secrets in any business or other endeavor after your Franchise Agreement is terminated or expires. You must completely disassociate yourself from the Marks and return the Brand Operations Manual and other confidential materials provided to you by us. You may not divert any business from us. You must also promptly cancel or transfer all telephone numbers and directory listings to us.
s. Modification of the agreement	Section 19.3	Changes to the Franchise Agreement must be made in writing and agreed to by both parties.
t. Integration/merger clause	Section 19.13	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 18	Subject to federal and your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must be submitted to non-binding mediation in accordance with the commercial arbitration rules of the American Arbitration Association.
v. Choice of forum	Section 18.9	Litigation must be in the courts of the state of Nevada located in Clark County, and the United States District Court for the District of Nevada (subject to your state's law; see any state-specific addendum attached in Exhibit E).
w. Choice of law	Section 18.1	Federal law governs trademark issues. Nevada law applies except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

Multi-Unit Franchise Agreement

Provision	Section in Multi-Unit Franchise Agreement	Summary
a. Length of the franchise term	Article 4.1	10 years or when you sign a Franchise Agreement for your last Wow Wow Lemonade Stand necessary to fully satisfy your Development Obligation on Exhibit B, whichever is earlier.
b. Renewal or extension of the term	Not applicable.	Not applicable.
c. Requirements for franchisee to renew or extend	Not applicable.	Not applicable.
d. Termination by franchisee	None	Not applicable.
e. Termination by franchisor without cause	None	Not applicable.
f. Termination by franchisor with cause	Article 10.1	We can terminate if you materially default under your Multi-Unit Franchise Agreement, an individual Franchise Agreement, or any other agreement between you and us.

Provision	Section in Multi-Unit Franchise Agreement	Summary
g. "Cause" defined - curable defaults	Article 10.1	You have 10 days to cure a failure to pay fees. You have 30 days to cure any other default; but in the case of a breach or default in the performance of your obligations under any Franchise or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control.
h. "Cause" defined – non-curable defaults	Article 10.1	Non-curable defaults include: unapproved transfers; failure to meet Development Obligation; any breach for unfair competition described in Article 9.
i. Franchisee's obligations on termination/non-renewal	Article 4.2	You will have no further right to develop or operate additional Wow Wow Lemonade Stands 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 Wow Wow Lemonade Stands under then existing Franchise Agreements.
j. Assignment of contract by franchisor	Article 8.1	No restrictions on our right to assign.
k. "Transfer" by franchisee – defined	Article 8.3	Includes transfer of the Multi-Unit Franchise Agreement or changes in ownership of the entity which owns it. If you are a business entity, shares of your entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor approval of transfer by franchisee	Article 8.3	Transfers require our prior written consent, which may not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	Article 8.3	You must assign the Multi-Unit Franchise Agreement and all of the Franchise Agreements signed under the Multi-Unit Franchise Agreement to the same assignee. At our election, the assignee must sign our then-current form of Franchise Agreement for each of your Wow Wow Lemonade Stands then developed or under development. Before shares of a franchisee which is a business entity may be offered by private offering, you must provide us with copies of all offering materials; indemnify us, our Parent, officers, directors, manager(s), shareholders, members, partners, agents, representatives, independent contractors, servants and employees of each of them with the offering; and pay us a fee to reimburse us for our costs and expenses associated with reviewing the proposed offering, which fee is in addition to any transfer fee required under any Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Article 8.3	We may match any offer to purchase your business.
o. Franchisor's option to purchase franchisee's business	None	Not applicable.
p. Death or disability of franchisee	Articles 8.3 and 10.1	Same requirements as for a transfer in "m" above. If your interest is not transferred within 60 days following your (or a major member, partner or shareholder's) death or legal incapacity, your Multi-Unit Franchise Agreement will be automatically terminated.

Provision	Section in Multi-Unit Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Articles 9.1 and 14.1	Unless we agree otherwise in writing, you may have no involvement in any business that: (i) is similar to Wow Wow Lemonade Stands: (ii) has similar decor or similar menu items to a Wow Wow Lemonade Stands; (iii) sells any products that are similar to or the same as those sold at Wow Wow Lemonade Stands (including handcrafted lemonades, acai bowls, and raw superfood smoothies) as a combined total of 20% or more of all menu sales (a "Competitive Business"). If you are an entity, you may not conduct any business other than the business of the Multi-Unit Franchise Agreement and any Franchise Agreements between you and us.
r. Non-competition covenants after the franchise is terminated or expires	Article 9.1	Unless we agree otherwise in writing, for a period of three (3) years after your relationship with us ends, you may have no involvement in any Competitive Business, for three years at any site within your Multi-Unit Territory or within 20 miles of any Wow Wow Lemonade Stand then existing. Except with the operation of a Wow Wow Lemonade Stand under a valid Franchise Agreement, you may not use our Trade Secrets in any business or other endeavor after your Franchise Agreement is terminated or expires.
s. Modification of the agreement	Article 11.11	The Multi-Unit Franchise Agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Article 14.4	Only the terms of the Multi-Unit Franchise Agreement and any Franchise Agreement(s) are binding (subject to state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document. Any representations or promises outside the Franchise Disclosure Document, Multi-Unit Franchise Agreement and Franchise Agreement(s) may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 11.15	Subject to federal and your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must be submitted to non-binding mediation in accordance with the commercial arbitration rules of the American Arbitration Association
v. Choice of forum	Articles 11.15	Litigation must be in the courts of Nevada located in Clark County, and the United States District Court for the District of Nevada (subject to your state's law; see any state-specific addendum attached in Exhibit E).
w. Choice of law	Article 11.8	Federal law governs trademark issues. Nevada law applies except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law.

ITEM 18

PUBLIC FIGURES

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

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.

This Table includes the Gross Sales figures for the franchised Wow Wow Hawaiian Lemonade Stands that are similar to the franchise being offered to you. The Company-owned Wow Wow Hawaiian Lemonade Stand was reacquired from a franchisee during 2020 and was operating continuously in 2020. These figures do not reflect the costs of sales, operating expenses or other costs or expenses that might be deducted from the Gross Sales figures to obtain your net income or profit.

For purposes of these Tables, "**Gross Sales**" means the total of all revenue and receipts derived from the operation of the Wow Wow Hawaiian Lemonade Stand, including, but not limited to, all amounts received at or away from the physical location of the Wow Wow Hawaiian Lemonade Stand, or through or by means of the business conducted at the Wow Wow Hawaiian Lemonade Stand, such as fees for food products, gift card sales, and revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions, but excluding only (1) sales taxes collected from customers and paid to the appropriate taxing authority, (2) all customer refunds and credits your business actually makes, and (3) tips received by team members. "**Gross Sales**" includes all amounts that third party delivery business, such as, for example, Postmates, receive and retain from your customers for marketing products or services that these customers purchase from your business.

The Table presented below shows Gross Sales information from fiscal years 2020 and 2021 for Wow Wow Hawaiian Lemonade Stands that were open for the entire year. For 2020, there were 6 locations operating for the full year, and for 2021, there were 7 locations operating for the full year.

STATEMENT OF AVERAGE GROSS SALES FOR OUTLETS OPEN AND OPERATING IN 2020 AND 2021

	2020	2021	% Increase (Decrease)
Average Gross Sales	$336,326.23	$445,757.48	32.54%
Median Gross Sales	$342,762.52	$426,544.35	24.44%
Highest Gross Sales	$430,790.05	$535,074.87	24.21%
Lowest Gross Sales	$227,449.05	$346,751.91	52.45%

Notes:

1. Written substantiation for this financial performance representation will be made available at our headquarters upon reasonable request.

2. As of December 31, 2021, there were a total of 10 Wow Wow Hawaiian Lemonade Stands, open and operating comprised of 9 franchised and 1 Company-owned location; of this number, 6 of the franchised locations and the Company-owned location were in operation continuously throughout fiscal year 2021 and 3 franchised locations opened for operations during fiscal year 2021. There were 6 franchised locations that operated continuously throughout fiscal year 2020. Only locations in operation for the full fiscal year are included in the Table above.

3. There are no material differences in the Gross Sales of franchise and company-owned Wow Wow Lemonade Stands.

4. No Wow Wow Lemonade Stands were closed (temporarily or permanently) during 2021, because of the COVID-19 pandemic. The way in which Wow Wow Lemonade Stands operate have adapted somewhat due to the COVID-19 pandemic by putting more focus on online ordering, curbside pickup, and expanding delivery options. Some Wow Wow Lemonade Stands saw revenue decreases during the month of March 2020, and with respect to Wow Wow Lemonade Stands located in Hawaii, from March 2020 through the date of this FDD. Since that time, however, most Wow Wow Lemonade Stands have returned to revenue levels that are similar to what was achieved before the COVID-19 pandemic, other than the Hawaiian Wow Wow Lemonade Stands which continue to be impacted by Hawaii's expansive COVID-19 pandemic related regulations that have resulted in a sharp decrease in tourism compared to prior years (which has adversely affected sales at these Wow Wow Lemonade Stands).

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

We do not authorize our employees or representatives to make any additional financial performance representations either orally or in writing. If you receive any additional financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tim Weiderhoft, Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209 Scottsdale, Arizona 85260 Phone: 520-276-7716, 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 through 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	3	6	+3
	2020	6	6	0
	2021	6	9	+3
Company-Owned	2019	1	0	-1
	2020	0	1	+1
	2021	1	1	0
Total Outlets	2019	4	6	+2
	2020	6	7	+1
	2021	7	10	+3

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for Years 2019 through 2021

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

TABLE NO. 3

Status of Franchised Outlets for Years 2019 through 2021

State	Year	Outlets at Start of the Year	Outlets Added	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2019	2	2	0	0	0	0	4
	2020	4	2	1	0	0	0	5
	2021	5	1	0	0	0	0	6
California	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
Hawaii	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	1	0	0
	2021	0	0	0	0	0	0	0
Washington	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
Total Outlets	2019	3	2	0	0	0	0	5
	2020	6	3	2	0	1	0	7
	2021	7	3	0	0	0	0	10

TABLE NO. 4

Status of Company-Owned Outlets for 2019 through 2021

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Hawaii	2019	1	0	0	0	1	0
	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1
Totals	2019	1	0	0	0	1	0
	2020	0	0	1	0	0	1
	2021	1	0	0	0	0	1

TABLE NO. 5

Projected Openings for 2021 As of December 31, 2021

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Outlets in the next Fiscal Year	Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	6	3	0
California	9	3	0
Florida	5	1	0
Nevada	7	4	0
New Mexico	1	1	0
Texas	6	3	0
Utah	6	1	0
Totals	40	16	0

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

No Franchisees have signed a confidentiality clause in a Franchise Agreement, settlement agreement or other contract within the last three years that would restrict their ability to speak openly with you about their experience with us.

Our Franchisees

Franchisees with Opened Locations as of December 31, 2021

Owner	Address	City	State	Zip	Phone
DIR North Phoenix, LLC	3890 W. Happy Valley Road #167	Glendale	AZ	85310	602-882-4620
JCN CAS, LLC*	9455 W Glendale Ave Suite 120	Glendale	AZ	85305	801-388-6885
OE Fifteen 10, LLC*	24775 N Lake Pleasant Pkwy Suite 101	Peoria	AZ	85383	623-248-5068
Desert Drinks, LLC*	4910 E Ray Rd #G9	Phoenix	AZ	85044	480-940-5561
Life's Lemons Scottsdale, LLC	6501 E. Greenway Pkwy	Scottsdale	AZ	85201	480-201-1069
TL & Company, LLC*	3052 W Jack London Blvd Suite I-2	Livermore	CA	94551	510-409-7290
Laird Roberts, LLC*	7989 N Coltrane Ln	Tucson	AZ	85743	(520) 329-5351
Chang Bang, LLC*	1267 Muirkirk Ct.	Folsom	CA	95630	916-293-8062
ENP, LLC*	59 Damonte Ranch Pkwy #B-336	Reno	NV	89521	775-853-4865

* Denotes multi-unit franchisee

Franchisees with Signed Agreements but Unopened Locations as of December 31, 2021

Owner	Address	City	State	Zip	Phone
Desert Drinks, LLC*	30306 E. Boston Street	Gilbert	AZ	85295	602-478-2034
JCN CAS, LLC*	6821 W. El Cortez Place	Peoria	AZ	85383	801-388-6885
OE Fifteen 10, LLC*	1424 W Lisbon Ln	Surprise	AZ	85379	623-248-5068
Laird Roberts, LLC*	7989 N Coltrane Ln	Tucson	AZ	85743	(520) 329-5351
TL & Company, LLC*	653 Curlew Road	Livermore	CA	94551	510-409-7290
Chang Bang, LLC*	1267 Muirkirk Ct.	Folsom	CA	95630	916-293-8062
Llena, LLC	2023 Redondo Peak Drive	Albuquerque	NM	87120	505-417-4988
ENP, LLC*	59 Damonte Ranch Pkwy #B-336	Reno	NV	89521	775-853-4865
NOLK Wow Wow, LLC*	6938 Wildgrove Ave.	Dallas	TX	75214	469-484-6752
Akamai Ventures Group, LLC	9815 Kremmen PL	Boerne	TX	78006	(602)432-7207
XPLOR Foods, LLC*	607 7th St. E	Bradenton	FL	34208	(772)470-3715
Burke Whipple*	5505 Calisto Way	Flower Mound	TX	75028	(602)750-6677
Jeff Eagles*					
Jamssens Investments, LLC*	1551 Emerald Oaks Ave	Henderson	NV	89014	(877) 853-2582
Cool Penguin, LLC*	2128 Havensight Lane	Henderson	NV	89052	(915)599-2098
Thi Nguyen	2127 Turnhouse Lane	Modesto	CA	95121	(916)456-7698
A. Schofield*	2956 East Santa Fe Lane	Gilbert	AZ	85297	(480)223-7734
E & D Grampp*	11992 Catania Dr.	Draper	UT	84020	(617)595-9004
Island Vibes Draper, LLC*	12180 South 300 East #1141	Draper	UT	84020	(617)676-0946

* Denotes multi-unit franchisee

We have not created, sponsored, or endorsed any trademark-specific organization of franchisees associated with our franchise system. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached to this FDD as Exhibit D are our audited financial statements for the periods ending December 31, 2019, December 31, 2020 and December 31, 2021.

We have also attached unaudited financial statements as of the period ended April 30, 2022. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

ITEM 22

CONTRACTS

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document. At this time, these are the only contracts that we expect that we will enter into with a franchisee in any state, although we reserve the right to enter into different types of contracts with its franchisees as its business develops. As a prospective franchisee, you should obtain independent legal and financial advice concerning this franchise offering as you deem appropriate before making any commitment.

Exhibit B: The Franchise Agreement

Addenda to Franchise Agreement:

1. Information Regarding Franchisee and your Wow Wow Lemonade Stand; Approved Location and Protected Territory
2. Collateral Assignment of Lease
3. Owner Agreement
4. Electronic Funds Transfer Authorization

Exhibit C: Multi-Unit Franchise Agreement

Addenda to Multi-Unit Franchise Agreement:

1. Multi-Unit Territory
2. Development Obligation
3. Business Entity Information

Exhibit E: State Addenda
Exhibit F: Brand Operations Manual Table of Contents
Exhibit G: Form of General Release
Exhibit H: Compliance Questionnaire
Exhibit I: Form of Confidentiality and Non-Compete Agreement

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Franchise Disclosure Document are attached to this Franchise Disclosure Document as Exhibit J. Please complete both copies, detach and return the copy marked "Our Copy" to us and keep the other copy in the Franchise Disclosure Document for your own records.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT A

List of State Administrators and Agent for Service of Process

EXHIBIT A
LIST OF STATE AGENTS FOR THE SERVICE OF PROCESS AND STATE ADMINISTRATORS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

State	Agents for Service of Process	Administrators
California	California Department of Financial Protection and Innovation: <u>Sacramento:</u> 2101 Arena Boulevard Sacramento, CA 95834 <u>Los Angeles:</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 <u>San Diego:</u> 1455 Frazee Road, Suite 315 San Diego, CA 92108 <u>San Francisco:</u> Department of Financial Protection and Innovation One Sansome Street San Francisco, CA 94105	Commissioner of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230
Florida	Division of Consumer Services Attn: Business Opportunities Florida Department of Agriculture and Consumer Affairs Mayo Building Tallahassee, FL 32399-0800	Senior Consumer Complaint Analyst Florida Department of Agriculture and Consumer Affairs Mayo Building, Second Floor Tallahassee, FL 32399-0800 (850) 922-2966 or (850) 488-2221
Georgia	Office of the Governor Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334	Office of Consumer Affairs 2 Martin Luther King Jr. Drive SE Plaza Level – East Tower Atlanta, GA 30334
Hawaii	Hawaii Commissioner of Securities State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division – Securities	Hawaii Commissioner of Securities State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division – Securities

State	Agents for Service of Process	Administrators
	Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Illinois Attorney General Attorney General's Office 500 South Second Street Springfield, IL 62706	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Secretary of State Administrative Offices of the Secretary of State 201 State House Indianapolis, IN 46204	Chief Deputy Commissioner Securities Divisions 302 West Washington Street Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Iowa	Securities Division Lucas State Office Building Des Moines IA 50319	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, IA 50319-0066 (515) 281-4441
Kentucky	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875	Attorney General's Office Consumer Protection Division Capital Building Frankfort, KY 40601-01875
Louisiana	[Not applicable]	Department of Justice Consumer Protection Office P.O. Box 94095 Baton Rouge, LA 70804-9095
Maine	[Not applicable]	Securities Division State House – Station 121 Augusta, ME 04333
Maryland	Maryland Securities Commissioner Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48909	Consumer Protection Division Antitrust and Franchising Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
Nebraska	[Not applicable]	Staff Attorney

State	Agents for Service of Process	Administrators
		Department of Banking and Finance 1200 N. Street., Suite 311 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445
New Hampshire	[Not applicable]	Office of the Attorney General Consumer Protection and Antitrust Bureau 25 Capitol Street State House Annex Concord, NH 03301
New York	New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8285
North Carolina	Securities Division Room 302 300 North Salisbury Street Raleigh, NC 27611	
North Dakota	North Dakota Securities Commissioner 5th Floor 600 East Boulevard Bismarck, ND 58505 (701) 328-4712	Franchise Examiner Office of Securities Commissioner 600 East Boulevard 5th Floor Bismarck, ND 58505 (701) 328-4712
Oklahoma	[Not applicable]	Oklahoma Department of Securities The Journal Record Building 621 N. Robinson Street Suite 400 Oklahoma City, OK 73102
Oregon	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
Rhode Island	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920	State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920
South Carolina	Secretary of State Capitol Complex Brown Building 1205 Pendleton Street Room 510 Columbia, SC 29210	[Not applicable]
South Dakota	Director of South Dakota Division of Securities C/o 500 East Capitol Pierre, SD 57501 (605) 773-4823	Franchise Administrator Division of Securities C/o 118 West Capitol Pierre, SD 57501-3185 (605) 773-4013

State	Agents for Service of Process	Administrators
Texas	[Not applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
Utah	[Not applicable]	Consumer Protection Division Utah Department of Commerce 160 East 300 South P.O. Box 48504 Salt Lake City, UT 84145-0804 (801) 530-6601
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733	State Corporation Commission Division of Securities and Retail Franchising 1300 Main Street, 9th Floor Richmond, VA 23219
Washington	Director of Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760	Administrator Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760
Wisconsin	Commissioner of Securities 345 W. Washington Street, 4th Floor Madison, WI 53703	Division of Securities Department of Financial Institutions P.O. Box 1768 Madison, WI 53701
Federal Trade Commission		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street NW Washington, DC 20580 (202) 326-3128

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT B

Franchise Agreement

FRANCHISE AGREEMENT BETWEEN

Wow Wow Hawaiian Lemonade Franchising, LLC
14301 N. 87th Street, Suite 209
Scottsdale, Arizona 85260

and

____
____
____

TABLE OF CONTENTS

FRANCHISE AGREEMENT

This Franchise Agreement ("**Agreement**") is entered into on the Effective Date between Wow Wow Hawaiian Lemonade Franchising, LLC, a company organized under the laws of Nevada ("**we,**" "**us,**" or "**our**"), and the Franchisee identified in **Addendum 1** to this Agreement ("**you**" or "**your**").

Introduction: This Franchise Agreement
This franchise agreement ("**Agreement**") is written in a conversational tone to make it easier to read. In the context of the Agreement, Wow Wow Hawaiian Lemonade Franchising, LLC is referred to as "we," or "us." When we refer to things we own or obligations we have, we use the word "our." The person, persons, or legal entity that sign this Agreement are collectively referred to as "you," and the obligations you have or the things you own are referred to as "your." When we refer to "you" or "your," we are also referring to each and every one of your Owners and the obligations that each and every one of your Owners has to us. To further bind you and your Owners, we require each and every one of your Owners to sign the Owner Agreement, which is attached as **Addendum 2** to this Agreement. In the Agreement, we sometimes capitalize the words we use. These are called "defined terms," and whenever we use one of them, we are referring to the definition we have assigned to the word. When a word appears in parentheses, quotes, and bold, we are informing the reader that the word has been defined by the text surrounding the word where it appears. At the end of the Agreement, in the **Appendix**, we have included for ease of reference a Glossary of Terms to help you easily locate the definition of a defined term. The Agreement is organized into segments, articles, and sections. In the segment entitled "Recitals," we state the purpose for this Agreement. In the first article, entitled "Your Covenants, Understandings, and Representations," you are making certain representations and statements to us regarding you, your Owners, your understanding of this Agreement and the business relationship we are entering into with you, and your decision to enter into this Agreement with us. In the "Compliance Questionnaire", which is **Exhibit H** to our Franchise Disclosure Document, you are informing us of any statements or promises that we or our salespeople made to you that are not contained in this Agreement or the Franchise Disclosure Document. We will rely on all of the statements, representations, understandings, and promises you make to us in this Agreement and in the Compliance Questionnaire when we decide to counter-sign this Agreement with you.

RECITALS

A. We own a uniform System for the establishment and operation of Wow Wow Lemonade Stands.

B. We have the right to license the Marks and the System in connection with the operation of a Wow Wow Lemonade Stand; and

C. You want to obtain the rights to use the Marks and wishes to be assisted, trained, and licensed by us, as a franchisee, to use the System and the Marks in the operation of your Wow Wow Lemonade Stand, and we are willing to grant such rights under the terms and conditions of this Agreement.

You and we therefore agree as follows:

1. COVENANTS, UNDERSTANDINGS, AND REPRESENTATIONS BY YOU

You understand, represent to us, certify, and agree to the following:

1.1. Success Depends Upon You. You are an independently owned and operated business whose success is dependent on your own efforts, those of your management, employees, and independent contractors, as well as business conditions in general.

1.2. System Modifications. We reserve the right to modify any aspect or element of the Trade Dress and/or the System. Reasons justifying the changes or modifications include, but are not limited to, the need to: (1) modify, change or abandon the strategy on which Wow Wow Lemonade Stands are currently based; (2) add or change the standards for customer service and products; and (3) require the use of new or different equipment. Such changes will generally be communicated to you through the Brand Operations Manual. You agree to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make such reasonable expenditures as may be necessary to comply.

1.3. System Variations. Because complete uniformity under various market circumstances may not always be possible or desirable, we, in our discretion, reserve the absolute and exclusive right to vary the standards for any Wow Wow Lemonade Stand based upon the customs or circumstances of a particular market area, density of population, existing business practices or any condition that we deem to be of importance to the operation of your Wow Wow Lemonade Stand. Further, we, in our discretion, may enter into agreements with other Persons for the operation of other Wow Wow Lemonade Stands, which agreements may contain provisions that vary materially from this Agreement.

1.4. Independent Investigation. You have conducted your own investigation of all financial requirements, business and legal risks with respect to your Wow Wow Lemonade Stand in general and operating your Wow Wow Lemonade Stand in particular. You have had the opportunity to read and review our Franchise Disclosure Document and this Agreement at least fourteen calendar days before signing this Agreement, and to be thoroughly advised by legal counsel or a personal advisor, or has chosen not to do so without any influence by us.

1.5. No Representations Regarding Success or Profitability. Neither we, nor anyone acting on our behalf, has made any statements, representations, projections, forecasts, warranties or guarantees (express or implied, written or oral) to you, including any statements regarding the potential financial or business success of your Wow Wow Lemonade Stand or with respect to your Wow Wow Lemonade Stand's potential, expected or actual Gross Sales, income, profits, earnings or expenses, other than any such statements that are contained in our Franchise Disclosure Document. You have not relied upon any guarantee, warranty, projection, forecast or earnings claim, whether express, implied, purported or alleged, in entering into this Agreement, other than that contained in Item 19 of our Franchise Disclosure Document (if we make any).

1.6. Accuracy of Information. You have ensured that all information you have submitted to us in connection with your application for this Agreement was complete and accurate when it was given to us. You represent to us that there have been no material changes in that information or other changes in material circumstances with respect to you between the time of the submittal and the Effective Date. You further acknowledge that the acknowledgments signed by you in **Exhibit H** to our Franchise Disclosure Document are truthful and accurate.

1.7. Permits, Licenses, and Legal Requirements. You understand that retail food and beverage businesses are highly regulated businesses and that you may be required, under applicable state law, to secure permission from the appropriate government authorities to operate your Wow Wow Lemonade Stand. It is your responsibility to familiarize yourself with all applicable Legal Requirements, and we have made no representations as to the nature of such Legal Requirements or your ability to qualify or comply with them.

1.8. Your Ownership. If you are a Business Entity, you represent that:

1.8.1. Every one of your Owners has signed the Owner Agreement, attached as **Addendum 3**.

1.8.2. You are duly organized and validly existing under the laws of the state of where your legal entity was organized, and you are duly qualified to transact business in the state in which your Wow Wow Lemonade Stand is located.

1.8.3. You have the authority to execute and deliver this Agreement and all related agreements and to perform your obligations under all such agreements.

1.8.4. Your organizing documents state that your activities are restricted to those necessary solely for the development, ownership and operation of a Wow Wow Lemonade Stand in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates.

1.8.5. Your articles or certificate of incorporation, partnership agreement or other organizational documents recite that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interests are restricted by the terms of this Agreement.

1.8.6. All certificates representing direct or indirect legal or beneficial ownership interests in you, now or later issued, must bear a legend that conforms with the Legal Requirements referring to such restrictions.

If you are an individual or sole proprietorship but later become a Business Entity, you must ensure that you comply with, and that your organizing documents are consistent with, each one of the above requirements and representations.

1.9. Disclosure of Ownership Interests. You and, if you are a Business Entity, each of your Owners represents, warrants and agrees that the provisions in **Addendum 1** that pertain to your Business Entity and its ownership is current, complete and accurate. You agree that updates or changes to **Addendum 1** will be furnished promptly to us, so that it (as revised and signed by you and any Owners) is at all times current, complete and accurate. Each Owner must be an individual acting in his or her individual capacity.

1.10. Anti-Terrorism Laws. You certify that neither you, nor your Owners, principals, employees or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/resource-center/sanctions/Programs/Documents/terror.pdf) You agree not to hire or have any dealings with a Person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your Owners, principals, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws. In connection with such compliance, you certify, represent, and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities in this Agreement pertain to your obligations under this Section.

1.11. No Business Opportunity. We will not provide or designate restaurants or locations for you. We will not provide financial assistance to you (other than as stated in Item 10 of our Franchise Disclosure Document). We have not represented to you that we will buy back from you you any of the products, inventory, supplies or equipment that you purchase in connection with your Wow Wow Lemonade Stand.

1.12. Defined Terms. Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the **Appendix**.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise; Your Operations. Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to operate one Wow Wow Lemonade Stand within the Protected Area. You agree to equip, open and operate, under the terms of this Agreement, a Wow Wow Lemonade Stand specializing in offering specific Authorized Products and Authorized Services (collectively, "**Authorized Products and Services**") as specified by us in our Brand Operations Manual, only under the Marks.

2.1.1. You may operate your Wow Wow Lemonade Stand only at the location identified in **Addendum 1** to this Agreement (the "**Approved Location**"), except as stated in Sections 2.1.1 and 2.1.3.

2.1.2. While most of your business should be conducted at the Approved Location, you may sell and provide Authorized Products and Services at temporary locations within your Protected Area such as farmer's markets and off-site events.

2.1.3. If you want to offer catering or delivery service to customers, you may do so only within the Protected Area, for so long as you hold any necessary licenses or permits for such services. You must, at your sole cost and expense, to obtain a vehicle, insurance, catering and delivery equipment and menus, approved by us, as set forth in the Brand Operations Manuals, prior to offering catering or delivery services within your Protected Area.

Any income from any sales you make (regardless of where you make them) must be included in your Gross Sales reporting and will be subject to all fees stated in this Agreement.

2.2. Restrictions on License. You do not have the right to grant franchises or sub-licenses of any kind to any other party, nor do you have the right to open more than one Wow Wow Lemonade Stand within the Protected Area, unless otherwise provided by separate agreement. You will operate your Wow Wow Lemonade Stand only within the Protected Area. No part of your Wow Wow Lemonade Stand may be offered for sale or lease, nor will you allow any part of your Wow Wow Lemonade Stand to be used for any other purpose other than that explicitly set forth in this Agreement or the Brand Operations Manual, or conduct any business at the Approved Location other than authorized under this Agreement, without our prior written approval.

2.3. No Alcoholic Beverages. You do not have the right to serve alcoholic beverages under this Agreement. In order to protect the goodwill of the System and Wow Wow Lemonade Stands, this right is strictly controlled with permission granted by us, which may be withheld in our sole discretion.

3. CONSTRUCTION AND COMMENCING BUSINESS

3.1. Approved Location. Your Wow Wow Lemonade Stand will be located at the Approved Location listed on **Addendum 1**. If no Approved Location has been inserted in the blank space provided in **Addendum 1** at the time of execution of this Agreement, it will be inserted when determined as outlined in Section 3.2 below.

3.2. Site Selection. You agree that you are responsible for independently investigating the demographic characteristics, competition, and market for the services to be provided by your Wow Wow Lemonade Stand in the market area where you intend to operate. We will, however, provide you with our standards for site selection. You must obtain our approval before committing to a site. You must propose a location for your Wow Wow Lemonade Stand to us within three hundred (300) days of the Effective Date.

3.2.1. You must seek approval by advising us in writing of the street address for the proposed location, and by providing us with a copy of any demographic information that you possess on the proposed location as we require, in the form prescribed by us. Within seven (7) days after receipt of such information from you, we will approve or disapprove of the proposed site. If you and us do not agree on the site for your Wow Wow Lemonade Stand, you must attempt to locate another acceptable site. We reserve the right to approve or disapprove any site location proposed by you based upon our review of the site.

3.2.2. WE DO NOT REPRESENT THAT WE, OR ANY OF OUR AFFILIATES, OWNERS, EMPLOYEES, DESIGNATED CONSULTANTS OR AGENTS, HAVE ANY SPECIAL EXPERTISE IN SELECTING SITES. NEITHER OUR ASSISTANCE NOR APPROVAL IS INTENDED TO INDICATE

OR INDICATES THAT THE FRANCHISED BUSINESS WILL BE PROFITABLE OR SUCCESSFUL AT THE APPROVED LOCATION. YOU ARE SOLELY RESPONSIBLE FOR IDENTIFYING THE APPROVED LOCATION.

3.3. Our Approval of the Lease. You must obtain our approval of any lease for the Approved Location by submitting to us a copy of the proposed lease. We will accept or reject the proposed lease as soon as practicable, but in no event longer than seven (7) days after it is submitted by you. You will not enter into any lease for the Approved Location unless you have received acceptance from us. You must not create (or purport to create) any obligations on our behalf, or grant (or purport to grant) to the lessor thereunder any rights against us, nor agree to any other term, condition, or covenant which is inconsistent with any provision of this Agreement. You must deliver to us a fully-executed copy of the final, approved lease after it is fully executed. OUR REVIEW OF A LEASE, OR ANY ADVICE OR RECOMMENDATION OFFERED BY US, SHALL NOT CONSTITUTE A REPRESENTATION OR GUARANTEE THAT YOU WILL SUCCEED AT THE APPROVED LOCATION NOR CONSTITUTE ANY EXPRESSION OF OUR LEGAL OR BUSINESS OPINION REGARDING THE TERMS OF THE LEASE.

3.4. Relocation. You may not relocate your Wow Wow Lemonade Stand without our prior written consent. If we consent to any relocation, you will de-identify the former location in the manner described in Section 17.3 of this Agreement, and will reimburse and indemnify and hold us harmless from any direct and indirect losses, costs and expenses, including attorney's fees, arising out of your failure to do so.

3.5. Required Lease Terms. You will execute a Collateral Assignment of Lease, in the form found in **Addendum 2** attached to this Agreement, whereby you agree to assign your rights in the lease to us in the event of a termination or expiration of this Agreement or a default under the lease. In addition, the lease will, unless we otherwise consent in writing:

3.5.1. Provide that the term is for a period which is not less than the Term of this Agreement (including available successor term(s));

3.5.2. Grant us or our designee an option, without cost or expense to us or our designee, to assume the lease, or execute a substitute lease on the same terms, in the event that this Agreement is terminated due to your default;

3.5.3. Provide that we or our designee shall have the right (but not the obligation) to succeed to your rights under the lease if you fail to exercise any option to renew, and/or extend the term of the lease, and shall further provide that upon your default or alleged default under the lease, the lessor will notify us in writing at least fifteen (15) days prior to its termination or non-renewal. The lease must also provide that, in the case of a default by you, we or our designee have the right, but not the obligation (and without liability to you), to cure the default and to succeed to your rights under the lease or request that the lessor terminate the lease and enter into a substitute lease with us or our designee on the same terms by giving written notice of such election to you and such lessor; and

3.5.4. Provide that upon expiration or termination thereof for any reason, you shall, upon our demand, remove all of the Marks from the Approved Location and modify the decor of your Wow Wow Lemonade Stand so that it no longer resembles, in whole or in part, a Wow Wow Lemonade Stand and that if you shall fail do so, we will be given written notice and the right to enter the Approved Location to make such alterations, in which event you shall reimburse us for all direct and indirect costs and expenses it may incur for making those changes, including attorney's fees.

3.6. Obtain Our Approval of Your Plans. You must submit to us for approval all construction plans, specifications, and any proposed deviations for any construction and any remodeling of your Wow Wow Lemonade

Stand. We will approve or disapprove such plans within thirty (30) days of the date you submit them. Our approval of construction plans and specifications is not a warranty of their appropriateness, and means only that they comply with our minimum specifications.

3.7. Constructing your Wow Wow Lemonade Stand. You are solely responsible for developing and constructing your Wow Wow Lemonade Stand. This means that you must, at your own expense: (a) secure all financing to develop and operate your Wow Wow Lemonade Stand and acquire and maintain adequate capital reserves; (b) pay all applicable state, county, and municipality taxes, permit costs, and/or fees associated with construction; (c) obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses; (d) purchase insurance for your Wow Wow Lemonade Stand; (e) obtain all building inspections and approvals, occupancy and/or construction permits, and architectural drawings; and (f) engage a licensed architect and licensed contractor(s) to construct, remodel, renovate, and/or equip all improvements to your Wow Wow Lemonade Stand and decorate it according to the plans and specifications that we approve, and in accordance with the requirements of your lease.

3.8. Commencement Deadline. You must have commenced operations within eleven (11) months after the Effective Date. If you have not done so, you will be required to pay a fee of Seven Hundred Fifty Dollars ($750.00) for each month you continue to fail to commence operations ("**Delayed Opening Fees**"). Without limiting the foregoing, you agree that all construction or remodeling will be completed, and your Wow Wow Lemonade Stand will be open and operating, no later than six (6) months after the date the Approved Location is available for your possession, or by the date specified in the lease for your Wow Wow Lemonade Stand, whichever is earlier, unless we otherwise agree in writing. The time periods for the commencement and completion of such construction are of the essence of this Agreement. If you fail to perform your obligations contained in this Section, we may deem your failure to constitute a material default of this Agreement and will have the right to terminate the Agreement, without refunding to you any fees paid. You may not open your Wow Wow Lemonade Stand until you have received written authorization from us to open, which authorization may be conditional. Our assistance and authorization to open your Wow Wow Lemonade Stand is not a representation or warranty that your Wow Wow Lemonade Stand complies with any applicable laws, codes or regulations or that the construction is sound or free from defects.

4. **PROTECTED AREA**

4.1. Protected Area. For so long as you are in compliance (and not in default of) this Agreement, we will not during the Term engage in any of the following activities within your Protected Area: (a) we will not operate, or permit any third party to operate, a Wow Wow Lemonade Stand under the Marks within your Protected Area; (b) we will not sell Authorized Products at farmers' markets, special events, or through catering to physical locations within your Protected Area; or (c) we will not sell (at wholesale or retail) pre-bottled lemonades within the Prrotected Area. The Protected Area will be identified in **Addendum 1**.

4.1.1. If your Approved Location has not been identified as of the Effective Date, your Protected Area will be identified, and entered on **Addendum 1**, at the time you obtain our approval of the Approved Location. You and we will describe your anticipated Protected Area in general terms in the "general description" in Section B of **Addendum 1**. You and our listing of the general description of your Protected Area does not give you any rights of exclusivity in the identified area, and is only used for a reference. We may sell other Wow Wow Lemonade Stands in the area identified in Section B of **Addendum 1**.

4.1.2. After we have approved a location for your Wow Wow Lemonade Stand, you and we will enter them in Section C of **Addendum 1**. As the Protected Area is dependent on the location of your Wow Wow Lemonade Stand, we will present you with the Protected Area upon the identification of the site for your Wow Wow Lemonade Stand. If you do not wish to accept the Protected Area, you may propose another site location and we will present you with another Protected Area based on the site selected.

4.1.3. You must have average monthly Gross Sales equal to or greater than thirty thousand dollars ($30,000) after the first 24 months that your Wow Wow Lemonade Stand is open. To determine if you have met this requirement, we will analyze your Gross Sales for the most recent three (3) calendar months on the 24th month anniversary of your Wow Wow Lemonade Stand being opened. If you fail to reach the required sales amount after 24 months of your Wow Wow Lemonade Stand being open, your protective rights in your Protected Area will automatically terminate without notice from us. If your protective rights in your Protected Area are terminated subject to this Section 4.1.3, we will be permitted to allow another franchisee or our designee to open a Wow Wow Lemonade Stand in your Protected Area.

4.2. No Other Protection. You acknowledge that we and our Affiliates retain all other rights within and outside of the Protected Area, including but not limited to the exclusive rights to:

4.2.1. Use, and to license other Persons to use, the Marks and System for the operation of Wow Wow Lemonade Stands at any location other than within the Protected Area, regardless of proximity to the Protected Area, and regardless of whether such other businesses draw customers from the Protected Area.

4.2.2. Operate, and to grant others the right to operate, Wow Wow Lemonade Stands located at any Non-Traditional Location anywhere, regardless of whether it is inside or outside of your Protected Area. A "**Non-Traditional Location**" is a transportation facility, sporting facility, travel plaza, institutional feeding facility, government institution or facility, shopping mall, educational facility, casino, amusement park, or military facility.

4.2.3. Use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or otherwise, at any location including a location or locations inside of the Protected Area, in association with operations that are different from than your Wow Wow Lemonade Stand.

4.2.4. Except as limited by Section 4.1, offer Authorized Products and Services, or grant others the right to offer the Authorized Products and Services, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including, without limitation, wholesalers, grocery stores, or by Internet commerce (e-commerce), mail order or otherwise, regardless of whether it is inside or outside of the Protected Area.

4.2.5. Maintain any websites utilizing a domain name incorporating the Marks or derivatives. We retain the sole right to advertise and market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements.

4.2.6. Acquire, merge, or combine with businesses that are the same as or similar to your Wow Wow Lemonade Stand and operate such businesses regardless of where such businesses are located, including inside the Protected Area, and to be acquired by any third party which operates businesses that are the same as, or similar to, your Wow Wow Lemonade Stand, regardless of where such businesses are located, including inside the Protected Area. Notwithstanding the foregoing, We will not re-brand any such businesses located inside the Protected Area by allowing them to use the Marks.

5. TERM; RIGHT TO ACQUIRE SUCCESSOR FRANCHISE

5.1. Term. The term of this Agreement (the "**Term**") commences on the Effective Date, and, unless sooner terminated in accordance with Article 16, will expire on the 10th anniversary of the date you open and begin operating your Wow Wow Lemonade Stand (the "**Term**").

5.2. Right to Acquire Successor Franchise. After the expiration of the initial Term, you may, at you option and subject to our approval, acquire a successor franchise for an unlimited number of additional 5-year terms. To qualify for a successor franchise, we will have the right to insist on your fulfillment of any or all of the following conditions:

5.2.1. You must give us written notice of such election to acquire a successor franchise not less than ninety (90) days nor more than one hundred and eighty (180) days prior to the end of the initial term.

5.2.2. You must execute our then-current standard form of franchise agreement (the "**Successor Franchise Agreement**"), which may, at our sole discretion, include substantially different terms than those contained in this Agreement, including but not limited to higher, additional, or different fees (including a higher Royalty Fee and advertising contribution, but neither of which will exceed the then-current fees paid by new franchisees) and a smaller Protected Area, but you will not have to pay a new initial franchise fee. The term of the Successor Franchise Agreement will be the term specified above.

5.2.3. You and each of your Owners shall have executed a general release, in our then-current form (the current form is attached to the Franchise Disclosure Document as **Exhibit G**), of any and all Claims against us and our Affiliates and our respective officers, directors, shareholders, Managers, members, 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.

5.2.4. You are not then in default of any provision of this Agreement, or any amendment of or successor to this Agreement, or any other agreement between you and us, or any Affiliate of ours, and you have not committed and received notice of two (2) or more breaches of this Agreement during any twelve (12) month period during the Term, even if such breaches were timely remedied.

5.2.5. You must provide proof that you have all current licenses, insurance, and permits as required by law for you to continue operating your Wow Wow Lemonade Stand.

5.2.6. You will have obtained the right to continue to occupy the Approved Location, or will obtain our approval to relocate your Wow Wow Lemonade Stand to a different Approved Location.

5.2.7. You must pay us a renewal fee equal to sixty-six and sixty-sevel one hundredths percent (66.67%) of the then-current initial franchise fee that we are charging for new franchises at the time of renewal. You must pay this fee at the same time that you give us the written request required by Section 5.2.1. If, for any reason, we do not grant you a Successor Franchise Agreement, we shall, at the same time we notify you of the refusal, refund the successor franchise fee paid by you.

5.2.8. You must make or provide for, in a manner satisfactory to us, such changes as may be necessary to bring your Wow Wow Lemonade Stand up to our current standards, including, without limitation, installation of new equipment and software and renovation of your Wow Wow Lemonade Stand and decor to reflect the then-current standards and image of the System. We will not, however, require you to spend more than twenty-five thousand dollars ($25,000) on any such renovation.

5.3. Interim Period. If you do not sign the Successor Franchise Agreement prior to the expiration of this Agreement and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating without a franchise to do so; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all your obligations hereunder shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period. In this Agreement, all references to the Term will include any Interim Period.

6. PAYMENTS

6.1. Initial Franchise Fee. In consideration of the mutual promises and covenants contained herein, upon execution of this Agreement you will pay a lump-sum initial franchise fee to us of thirty-five thousand dollars ($35,000). The initial franchise fee will be deemed fully earned and nonrefundable in consideration of administrative and other expenses incurred by us in granting this franchise and for our lost or deferred opportunity to grant a franchise within the Protected Area to a third party.

6.2. Royalty Fee. During the Term, you must pay us, on or before the Payment Date, a continuing royalty fee ("**Royalty Fee**") equal to six percent (6%) of your Gross Sales that you earned during the prior Reporting Period just-ended.

6.3. Grand Opening Contribution. You will pay us, upon execution of this Agreement, a grand opening contribution of seven thousand five hundred dollars ($7,500) (the "**Grand Opening Contribution**"). The Grand Opening Contribution is to be used in accordance with the grand opening marketing budget and plan developed jointly between us and in accordance with the Brand Operations Manual for grand opening advertising and promotion activities to occur during the period beginning approximately 60 days before opening of your Wow Wow Lemonade Stand through 30-60 days after opening. If, for any reason, applicable state law does not permit us to collect the Grand Opening Contribution prior to opening your Wow Wow Lemonade Stand, then you must pay our approved vendors and service providers for their products and services furnished in accordance with the Grand Opening Marketing Program at the times when due based on invoices presented to you. Notwithstanding the foregoing, if your Wow Wow Lemonade Stand under this Agreement is not the first Wow Wow Lemonade Stand you have opened, you must, in lieu of the Grand Opening Contribution, spend a minimum of two thousand five hundred dollars ($2,500) (exclusive of the cost of food and beverages) to conduct a grand opening marketing program for your Wow Wow Lemonade Stand during the grand opening time period beginning approximately 60 days before opening the Wow Wow Lemonade Stand through 30-60 days afterwards, which amounts will be payable directly to vendors and service providers. In the event we are unable to collect the Grand Opening Contribution from you upon execution of this Agreement for any reason, you will be required to pay the service providers and vendors as and when we direct in accordance with the grand opening marketing budget and plan agreed upon between us.

6.4. Brand Fund Fee. You must pay us a continuing monthly advertising fund fee, on or before the Payment Date, of two percent (2%) of your Gross Sales ("**Brand Fund Fee**") that you earned during the prior Reporting Period just-ended. We will deposit the Brand Fund Fee into a fund that we maintain ("**Brand Fund**").

6.5. Technology Fee. You must pay us (or an Approved Supplier) the then-current monthly fee, in advance, for providing secured, integrated communications systems to you, which is our method for communicating with all Wow Wow Lemonade Stands, and any other technology systems that we may provide from time to time ("**Technology Fee**"). The Technology Fee is payable starting on the first day of the second full calendar month following the Effective Date. The Technology Fee may be increased upon 30 days' prior written notice.

6.6. Time and Manner of Payments. You must pay to us Royalty Fees and Brand Fund Fees on or before the 10th day of each month (or the next day if the 10th is a holiday), via electronic funds transfer ("**EFT**"). We have the right to change the time and manner of payments by providing written notice to you thirty (30) days in advance of such change, through the Brand Operations Manual or otherwise in writing. You must ensure that each Royalty and Brand Fund Fee payment is, without exception, accompanied by a statement of your Gross Sales during the just-ended Reporting Period on a form approved by us, which form may be electronic.

6.6.1. You must pay us, and any of our Affiliates, all fees due for for each Reporting Period on or before the applicable Payment Date.

6.6.2. You agree to comply with procedures specified by us and/or perform such acts and deliver and execute such documents, including authorization for direct debits from your business bank operating account, as may be necessary to assist in or accomplish payment by such method, and will execute our EFT Authorization form, which is attached to this Agreement as **Addendum 4**. Under this procedure, you must authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and our Affilaites and any interest charged due on those amounts. You must make funds available to us for withdrawal by electronic transfer no later than the payment due date.

6.6.3. If funds in the account are insufficient to cover the amounts payable at the time we make the funds transfer request, the amount of the shortfall is overdue and is subject to the terms set forth in this Agreement for overdue payments, in addition to any other remedies we have. None of these fees are refundable.

6.6.4. If you have not timely reported your Gross Sales to us for any Reporting Period, then we will have the right to debit your account, at our option, in an amount equal to either: (a) the fees transferred from your account for the last reporting period for which a report of the Gross Sales was provided to us; or (b) the amount due based on information retrieved from our approved POS System.

6.7. Application of Funds. If you become delinquent in the payment of any monetary obligation to us, we will have the absolute right to apply any payments received from you to any obligation owed, whether under this Agreement or otherwise, notwithstanding any other designation by you as to application. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

6.8. Late or Dishonored Payments. If we do not timely receive any fee or any other amount due under this Agreement on or before the applicable due date, you will pay us a late fee equal to $100, plus the higher of the daily equivalent of 5% annualized interest of any overdue amount, or the highest rate then permitted by applicable law, for each day any amount is past due, accruing until the past-due amount is paid in full. This provision does not permit or excuse late payments. If any check, electronic payment or other payment you tender to us is not honored for any reason, you will pay us an additional fee of $100 to help offset bank charges and administrative expenses.

6.9. Reimbursement of Collection Costs. If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure by you to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with this Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents. These amounts must be paid to us by you within five (5) days after you cure the default, or upon demand by us if your default is not cured.

6.10. Payments to Others. All payment obligations pertaining to your Wow Wow Lemonade Stand, including all trade payables and other indebtedness of every kind and all federal, provincial, state and municipal taxes and charges, are solely your obligation and not ours. We will not be liable for any sales, service, use, excise, income, gross receipts, property, payroll or other taxes levied against you or your assets, or against us, in connection with the conduct of your Wow Wow Lemonade Stand, or any payments you make to us pursuant to this Agreement or any other agreement. You must reimburse us for any gross receipts, sales, income, use or other tax assessed by any taxing authority in the state where your Wow Wow Lemonade Stand is located, on any fees or other amounts payable by you to us pursuant to this Agreement. We will not be liable or responsible for your compliance (or failure to comply) with any and all Legal Requirements.

7. TRADEMARK STANDARD AND USE REQUIREMENTS

7.1. Ownership. You agree that the Marks, Intellectual Property, and System are our (or our Affiliate(s)) exclusive property, and that you will never assert any claim to any goodwill, reputation or ownership relating to or associated with the Marks or Intellectual Property. You also recognize that all goodwill relating to your use of the Marks belongs solely to us, and not to you, and that after this Agreement expires, is terminated, or Transferred, you will have no right to any such goodwill. You will never engage in any conduct directly or indirectly, or assist another party to engage in any conduct, that would infringe upon, harm or cause damage to the Marks. You will not contest or assist any other party to contest our rights in any of the Marks or the goodwill associated with the Marks. You will not use, or assist others to use, the Marks in a derogatory, negative or other inappropriate manner in any medium. You agree to provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all rights, title and interest in and to the Marks, including all items we reasonably request to assist us in registering, maintaining and enforcing our rights in the Marks. You acknowledge that we will suffer irreparable damage and will have no adequate remedy at law as a result of your unauthorized or infringing use of the Marks, and you agree that we will have the right to seek injunctive relief in a court of competent jurisdiction in the event that you use the Marks in an unauthorized or infringing manner. You agree to comply with all of our requirements when you use the Marks, and that you will never engage in any activity that we determine to be harmful to the reputation of us, the Marks, the System, or Wow Wow Lemonade Stands generally.

7.2. Changes. We, from time to time in our discretion, may modify all or any part of the Marks. We may require you to use one or more additional or substitute Marks. You will have no right to damages, offset, or right to terminate this Agreement as a result of any such modification and we will not have any liability or obligation to you with respect to your required modification or discontinuance of any Marks. Upon receipt of notice of such modifications, you, as soon as reasonably possible, will cease using the former Marks and commence using the modified Marks at your sole cost and expense. We will not, however, require you to make any substantive changes to your signs for the first three (3) years after the Effective Date.

7.3. Permitted Use. Your right to use: the Marks; any proprietary software provided by us; other materials in which we claim a copyright, trademark, or other right to exclusive use; trade secrets; Confidential Information; and other Intellectual Property as granted in this agreement is limited to your use of those materials, items, or Intellectual Property in connection with the operation of your Wow Wow Lemonade Stand, and otherwise as described in this agreement and as authorized in the Brand Operations Manual or as may be prescribed in writing by us from time to time.

7.3.1. You may use only the trademarks authorized by us to identify and distinguish the services and publications offered by you in conjunction with the operation of your Franchised Businses. You cannot use Intellectual Property for any service or product that is not specifically authorized in the Franchise Agreement or Brand Operations Manual without our express written consent. You must comply with all of our trademark, trade name and service mark notice marking requirements, including, without limitation, affixing “SM,” “TM,” or “®,” adjacent to all Marks in any and all uses of them.

7.3.2. You will not use anything that resembles or is deceptively or confusingly similar to the Marks or the System in any manner or for any purpose, or do anything that would dilute, directly or indirectly, the value of the goodwill associated with the Marks, nor counsel, procure or assist anyone else to do the same. You will use the Marks only for the uses and in the manner permitted by us. You acknowledge that you are required, to the extent possible, to prevent Persons or parties associated with or employed by it from using the Marks and/or Intellectual Property in an unauthorized manner.

7.4. No Representations or Warranties. WE MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.

7.5. Internet and Social Media. We will develop, operate, host or maintain Internet website(s) (including social media sites) or other forms of e-commerce to coordinate the Internet presence for the System. We will have sole discretion and control over the design and contents of any website. We will not have any obligation to maintain any website(s) indefinitely, or ensure that service of the websites is not interrupted. We may dismantle any website at any time without liability to you. We may allocate reasonable resources from the Brand Fund toward the cost of our websites' maintenance and further development.

7.5.1. Our primary Internet site will include a locator function that will identify your Wow Wow Lemonade Stand for so long as you are in substantial compliance with this Agreement. You are responsible for monitoring any information about your Wow Wow Lemonade Stand and reporting any inaccuracies to us.

7.5.2. You agree and acknowledge that you are obligated to comply with our on-line policy which is subject to change by us from time to time. You agree and acknowledge that individual franchisee websites are prohibited except as set forth in this Section 7.5 or the Brand Operations Manual, and that your on-line promotional strategies must comply with our on-line policy, which may prohibit altogether your use of Internet sites, blogs and social media sites in connection with the Marks or your Wow Wow Lemonade Stand. You further agree and acknowledge that we may review and monitor all on-line content on social media sites, blogs, electronic communication and other on-line sites on which our Marks, trademarks, trade names, copyrights or any similar marks are used.

7.6. Infringement. You must notify us of: (a) any litigation relating to the Marks; or (b) suspected infringement upon the Marks or the Intellectual Property, but you may not take any action against suspected infringers without our express written permission. You must notify us within three (3) days after receiving notice of any claim based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any imitation of them. If you notify us in a timely manner of a claim against you relating to the Marks, we will have the exclusive right (but not the obligation) to contest, defend against, or bring an action against, any third party regarding the third party's use of any of the Marks. In the event we take legal action to protect our Marks or authorize you to do so, we will be responsible for all costs (including reasonable attorneys' fees) related to such legal action. You must execute any and all documents, do such acts and things that may be necessary, and cooperate with us and with any action undertaken by us concerning litigation relating to the Marks.

8. MARKETING AND ADVERTISING

8.1. Your Advertising. All advertising, promotion and marketing by you must be completely clear and factual and not misleading, and must conform to the highest standards of ethical marketing and the policies which we prescribe from time to time in the Brand Operations Manual or otherwise. You must submit to us for approval samples of all advertising, promotional and marketing materials that we have not prepared or previously approved before you use them.

8.1.1. If you do not receive written approval within 15 Business Days after we receive the materials, we will be deemed to have not approved them. You may not use any advertising or promotional materials that we have disapproved at any time or for any purpose.

8.1.2. You must spend a minimum of five hundred dollars ($500) per month on marketing in your Protected Area. Within 10 days after the end of each month, you must provide us with a statement demonstrating that you spent the required amount during the month just-ended.

8.2. Use of Brand Fund Fee. We will create the Brand Fund at a time we determine to do so in our sole discretion. The Brand Fund, and all contributions and any earnings of the Brand Fund, will be used to meet the

Brand Fund's costs and expenses. The Brand Fund will be used for maintaining, administering, directing, preparing, and implementing advertising and promotions for Wow Wow Lemonade Stands generally, which may include any or all of the following: the cost of creating, preparing, and producing print, broadcast, and internet campaigns; direct mail; sales brochures, flyers, posters, etc.; other marketing delivery systems; logowear and promotional items featuring the Marks; marketing surveys; public relations and sponsorship activities; creating and maintaining a website or website(s) (including social media sites or accounts) related to the franchise and an extranet for the System; employing advertising agencies, public relations firms, research firms, design firms, website/extranet design and development firms; and other Approved Suppliers to assist in the foregoing; labor expenses for employees to assist in the development of said advertising and promotion (including the cost of travel and related expenses to meet with the aforementioned); implementing promotions for Wow Wow Lemonade Stands generally in the appropriate local market area, including the cost of purchasing advertising space; sponsorships; the implementation of public relations campaigns; or other costs associated with marketing and advertising the System and the Marks. We may use Brand Fund monies to reimburse us for our costs of personnel and other administrative and overhead costs associated with providing the services described in this Section 8.2. We will not use Brand Fund for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using the Brand Fund (including Internet advertising) information concerning franchise opportunities, and a portion of Brand 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.

8.3. Acknowledgement by You. You agree and acknowledge that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System generally and that we undertake no obligation in administering the Brand Fund to make expenditures for you that are equivalent or proportionate to the Brand Fund Fee contributions, or to ensure that you or any other particular Wow Wow Lemonade Stand benefits directly or pro rata from the advertising or promotion conducted or developed by the Brand Fund. You further acknowledge that we own all rights, and retains all copyrights, in all design and content developed using the Brand Fund, and that we will have sole control over the creative concepts, content, form, and media placement of all advertising and promotional materials developed with the Brand Fund, and the allocations of the Brand Fund to production, placement, and other costs. We will own all copyright in any works created using the Brand Fund. We have no fiduciary duty to your or to any other Person with respect to the collection or expenditure of the Brand Fund, except that those funds will be spent in the manner described in this Article 8. Each Wow Wow Lemonade Stand owned by us, or our Affiliates, will contribute to the Brand Fund on the same basis and at the same percentage as our franchisees.

8.4. Fund Accounting. All contributions to the Brand Fund will be deposited into and disbursed from a bank account that may be commingled with other accounts, except that we will account for the Brand Fund separately. Upon written request by you, we will furnish to you, after 90 days after the end of each calendar year, a report for the preceding year showing the expenditures made from the Brand Fund during such calendar year and amount remaining for use (if any) during the following year. This report will not be audited.

8.5. Unused Funds; Termination. We anticipate that all contributions to, and earnings of, the Brand Fund will be expended for the purposes stated above during the fiscal year in which the contributions and earnings are received. However, if unexpended amounts remain in the Brand Fund at the end of the fiscal year, all expenditures in the following fiscal year will be made first out of the unspent contributions, and then out of new contributions. Although the Brand Fund is intended to be of perpetual duration, we may in our sole discretion terminate the Brand Fund or suspend its operation. The Brand Fund will not be terminated, however, until all monies in the Brand Fund have been expended for the purposes set forth in this Article 8. Upon termination of this Agreement, your obligation to make contributions to the Brand Fund will be terminated.

8.6. Promotional Campaigns. During the Term, we will have the right to establish and conduct promotional campaigns, which may, by way of illustration and not limitation, promote particular products or marketing themes.

You agree to participate in such promotional campaigns upon such terms and conditions as we may establish, and to pay for reasonable quantities of marketing or promotional materials as required by us.

8.7. Cooperative Advertising. We will have the right, in our sole discretion, to designate geographic areas for purposes of establishing local or regional advertising cooperatives ("**Cooperatives**") comprised of the Wow Wow Lemonade Stands located within such geographic area. If your Wow Wow Lemonade Stand is within the territory of an existing Cooperative at the time it opens for business, you must immediately begin participating in the Cooperative. If a Cooperative applicable to your Wow Wow Lemonade Stand is established during the Term of this Agreement, you must begin participating no later than thirty (30) days after the date the Cooperative begins operation. In no event will your Wow Wow Lemonade Stand be required to contribute to more than one Cooperative; however, if you own multiple Wow Wow Lemonade Stands, each Wow Wow Lemonade Stand owned by you will be required to contribute to the Cooperative applicable to that business. We (or our Affiliates, as the case may be) will become a member in any Cooperative established for a geographic area that includes a Wow Wow Lemonade Stand owned by us or our Affiliates. The following provisions will apply to each Cooperative:

8.7.1. Purpose; Governance. Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, promotional materials for use by members in local advertising. Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, that we approve in advance in writing. Each Wow Wow Lemonade Stand within a Cooperative will have one (1) vote for any matters on which the Cooperative's members are permitted to vote. We reserve the right to change, in our sole discretion, the form and manner of the organization and governance of any Cooperative and you agree to implement any such change immediately upon notice from us. No changes in the bylaws or other governing documents of a Cooperative will be made without our prior written consent.

8.7.2. Approval. No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without our prior approval.

8.7.3. Contribution Amount. You and each other member of the Cooperative must contribute to the Cooperative on a monthly basis, on such specific days as established by the Cooperative, the amount determined by the membership. Each required contribution will be submitted together with such statements or reports as may be required by us, or by the Cooperative with our prior written approval.

8.7.4. Audit. Us and our designated agents will have the right to examine, copy, and audit, at our expense, on reasonable notice and during normal business hours, the books, records, and accounts of any Cooperative.

9. OPERATING YOUR LEMONADE STAND

9.1. Authorized Products and Services. You shall advertise and sell only Authorized Products and Services at or from your Wow Wow Lemonade Stand. You acknowledge that you may not be permitted to sell all Authorized Products and Services at any or all times. Except as specifically authorized by us, you shall not sell any Authorized Products or Services outside of your Wow Wow Lemonade Stand (except for delivery services as authorized by us) or to any customer for the purpose of resale by the customer.

9.1.1. Authorized Menu. Your Wow Wow Lemonade Stand must be confined to the preparation and sale of only such menu items and other food and beverage products as we designate and approve in writing from time to time (the "**Authorized Menu**"). You must offer for sale from your Wow Wow Lemonade Stand all items and only those items listed on the Authorized Menu and other Authorized Products. You must offer the full Authorized Menu during all hours of operation. We have the right to make modifications to these items from time to time. You shall cease selling any previously approved product, service, or menu item within thirty (30) days after receipt of notice that the product, service, or menu item is no longer approved. You may not offer or sell any other product or service at your Wow Wow Lemonade Stand without our prior written consent. We may authorize test marketing of proposed Authorized Services or Products at any Wow Wow Lemonade Stands as we deem appropriate.

9.1.2. Authorized Products and Ingredients. You must use in the operation of your Wow Wow Lemonade Stand and in the preparation of Authorized Menu items and other food and beverage products only the proprietary mixes and other proprietary and non-proprietary ingredients, recipes, formulas, cooking techniques and processes and supplies, and must prepare and serve Authorized Menu items and products in such portions, sizes, appearance, taste and packaging, all as we specify in the Brand Operations Manual or otherwise in writing. You must purchase all such ingredients, mixes, and products only from Approved Suppliers. You acknowledge and agree that we may change these periodically and that you are obligated to conform to these changes. All supplies, including containers, cups, plates, wrapping, eating utensils, and napkins, and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that your Wow Wow Lemonade Stand must at all times maintain an inventory of ingredients, food and beverage products and other products, material and supplies that will permit operation of your Wow Wow Lemonade Stand at maximum capacity.

9.1.3. Featured Items. We have the right to require you to feature and display certain Authorized Products and Services as we may specify and in accordance with policies and specifications published in the Brand Operations Manual or in other written directives, which may require you to purchase, use, display and conduct certain point of purchase marketing and promotional displays, events, demonstrations, and advertising, and with which you shall comply with in all respects. We may authorize test marketing of proposed Authorized Products or Services at any Wow Wow Lemonade Stand as we deem appropriate.

9.2. Approved Supplies and Suppliers. We will furnish to you from time to time lists of Approved Supplies or Approved Suppliers. You must only use approved products, services, inventory, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services (collectively, "**Approved Supplies**") in connection with the design, construction and operation of your Wow Wow Lemonade Stand as set forth in the Approved Supplies and Approved Suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer, distributor and/or Supplier of Approved Supplies and require that you use designated Suppliers. You acknowledge and agree that certain Approved Supplies may only be available from one source, and us or our Affiliates may be that source. You will pay the then-current price in effect for all products and Approved Supplies that you purchase from us or our Affiliates. All inventory, products, materials and other items and supplies used in the operation of your Wow Wow Lemonade Stand that are not included in the Approved Supplies or Suppliers lists must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED OR DESIGNATED, US AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILFTY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

9.3. Alternative Suppliers. If you want to make purchases from a supplier other than an Approved Supplier, you must first submit to us a written request to approve the proposed supplier, together with any documentation regarding that supplier that we reasonably request. Within 30 days after receiving a completed request, and completion of such evaluation and testing (if we require), we will notify you in writing of our approval or disapproval of the proposed supplier. We may revoke our approval at any time if we determine, in our sole discretion, that the supplier no longer meets our standards. You must stop purchasing from a disapproved supplier upon notification from us that it has been disapproved.

9.4. Acknowledgement of Markup or Rebates. You acknowledge and agree that us and/or our Affiliates have the right to a reasonable markup on all items that you are required to purchase from us and/or our Affiliates. Further, you acknowledge that we may receive from designated or Approved Suppliers of your Wow Wow Lemonade Stand, equipment, food items, supplies and hardware and software, periodic volume rebates or other revenue or consideration as a result of your purchases. You further acknowledge and agree that we shall be entitled to keep such rebates and revenue for our own use.

9.5. Constructing, Developing, and Operating Your Wow Wow Lemonade Stand. In constructing, developing, and operating your Wow Wow Lemonade Stand, you agree to use only those fixtures, furnishings, equipment (including the POS System), décor and signs that we have approved for Wow Wow Lemonade Stands as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Approved Location (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time, and you agree to refrain from installing in your Wow Wow Lemonade Stand any fixtures, furnishings, equipment, signs, or other items that we have not approved in writing. You agree to purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers we have designated or approved (which may include us and/or our Affiliates). You will pay the then-current price in effect for all such purchases you make from us and/or our Affiliates. We will give you lists of the start-up inventory, furniture, fixtures, software, equipment and supplies we require you otherwise to obtain. You will establish independent commercial relationships with our Approved Suppliers for specific items.

9.6. Maintenance and Refurbishment. You will do all things necessary to comply with the System, including keeping your Wow Wow Lemonade Stand and all of its equipment and assets: (i) in good order and repair, and in compliance with the System requirements as set forth in the Brand Operations Manual or as otherwise stated by us; and (ii) in a neat, clean, attractive, safe and sanitary condition; replacing equipment, and other assets only with those that have been approved by us as, in our discretion, they become worn out or otherwise unsuitable for use. You will make, at you expense, all additions, repairs, replacements improvements and alterations to your Wow Wow Lemonade Stand that may be determined by us to be necessary so that your Wow Wow Lemonade Stand, equipment, and assets that are viewed by the public will conform to the System's image, as may be prescribed by us from time to time. You will undertake and complete such additions, repairs, replacements, improvements and alterations within the time and under the terms and conditions, which may be reasonably specified by us. If, however, any condition presents a threat to customers or public health or safety, you must address the condition immediately. You recognize and agree that there are no limitations on this obligation, and acknowledge and agree that the requirements of this Section 9.6 are both reasonable and necessary to ensure continued public acceptance and patronage of Wow Wow Lemonade Stands and to avoid deterioration or obsolescence in connection with the operation of your Wow Wow Lemonade Stand.

9.7. Supervision. You will operate your Wow Wow Lemonade Stand in accordance with the provisions of this Agreement and continuously exert best efforts to promote and enhance the business of the franchise. You are not required to participate personally in the direct operation of the franchise. However, your Wow Wow Lemonade Stand must at all times be operated under your direct supervision (if you are an individual) or by a Manager (if you do not supervise your Wow Wow Lemonade Stand personally, or you are a Business Entity) who: a) is approved by us; (b) has successfully completed the Initial Training Program and all other training programs required by us from time to time; and (c) devotes his or her full time (a minimum of 40 hours per week) and best efforts to operating your Wow Wow Lemonade Stand. We have the right to deal with the Manager(s) on matters pertaining to day-to-day operations of, and reporting requirements for, your Wow Wow Lemonade Stand.

9.8. Your Employees and Independent Contractors. You agree to maintain a competent, conscientious, trained staff, sufficiently literate in the English language and in a sufficient number, and to take such steps as are necessary to ensure that your employees and independent contractors provide competent, prompt, courteous, and knowledgeable service, and that they meet our minimum standards (as specified in the Brand Operations Manual) to preserve good customer relations. You must require your employees to wear uniforms while working at or for your Wow Wow Lemonade Stand, and such uniforms are of such design and color as we may prescribe in the Brand Operations Manual. You acknowledge that any guidance given to your employees or independent contractors is solely for the purpose of ensuring that your Wow Wow Lemonade Stand complies with our System standards.

9.9. Operating Hours. Subject to applicable law or subsequent written agreement between us and you to the contrary, you and we agree that your Wow Wow Lemonade Stand shall be open and operational for the greater of the minimum number of hours prescribed in: (a) the Brand Operations Manual; or (b) your lease. Such minimum hours and days of operation may be changed as we may from time to time specify in the Brand Operations Manual.

9.10. Signage. You shall maintain approved signs and/or awnings at, on, or near the front of the premises of your Wow Wow Lemonade Stand, identifying your Wow Wow Lemonade Stand as a Wow Wow Lemonade Stand operated under the Marks. The signs shall conform in all respects to our specifications and requirements and the layout and design plan approved for your Wow Wow Lemonade Stand, subject only to restrictions imposed by Legal Requirements. On receipt of notice by us of a requirement to alter any existing sign on your premises, you will at your cost make the required changes within sixty (60) days, subject to the approval of your landlord if required by your lease.

9.11. Brand Operations Manual. You shall participate in the System and operate your Wow Wow Lemonade Stand at the Approved Location in strict compliance with the standard procedures, policies, rules and regulations established by us from time to time and incorporated in the Brand Operations Manual. You must supervise your employees, Manager, managers, and Affiliates to ensure they comply with the Brand Operations Manual. We have the right to prescribe additions to, deletions from or revisions of the Brand Operations Manual (the "**Supplements**"), all of which will be considered a part of the Brand Operations Manual. All references to the Brand Operations Manual in this Agreement will include the Supplements. Supplements will become binding on you as if originally set forth in the Brand Operations Manual, upon being delivered to you (unless a longer period is specified by us). We will provide you with 30 days to comply with any material change made by us to the standards set forth in the Brand Operations Manual. The Brand Operations Manual and any Supplements are material in that they will affect the operation of your Wow Wow Lemonade Stand, but they will not conflict with or materially alter your rights and obligations under this Agreement. While the Brand Operations Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operations of your Wow Wow Lemonade Stand.

9.11.1. We are permitted to revise the System, Marks, the various training programs offered to franchisees and their employees, and the Brand Operations Manual at any time, by addition, deletion or other modification to the provisions thereof, and such modification shall be made in our sole judgment. Such modifications may obligate you to invest additional capital in your Wow Wow Lemonade Stand ("**Capital Modifications**") and/or incur higher operating costs.

9.11.2. Upon the execution of this Agreement, we shall loan to you one (1) copy of the Brand Operations Manual. The Brand Operations Manual and all amendments to the Brand Operations Manual (and copies thereof) are copyrighted and remain our property. They are loaned to you for the Term of the Agreement, and must be returned to us immediately upon the termination or expiration of this Agreement. The contents of the Brand Operations Manual are highly confidential documents which contain certain Confidential Information of ours. You shall not make, or cause or allow to be made, any copies, reproductions or excerpts of all or any portion of the Brand Operations Manual without our express prior written consent. Upon the expiration or termination of this Agreement for any reason whatsoever, you shall immediately return the Brand Operations Manual to us.

9.12. Customer Service. You must use your best efforts to ensure customer satisfaction; operate in good faith, with honesty, integrity, and professionalism in all dealings with customers, potential customers, us, Suppliers, creditors, and the general public; respond to customer complaints in a courteous, prompt and professional manner; use your best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as we deem reasonably necessary or appropriate to resolve customer disputes. If we are contacted by a customer of your Wow Wow Lemonade Stand who wishes to lodge a complaint, we reserve the right (but are not required) to address the Person's complaints in order to preserve goodwill and prevent damage to the Marks, and to require you to pay any reasonable expenses incurred by us in addressing the customer's complaints (including administrative expenses for our time spent). Nothing in this Section 9.12 or in any other provision of this Agreement is to be construed to impose liability upon us to any third party for any action by, or obligation of, yours.

9.13. Gift Cards. We may establish gift card or customer loyalty programs for use System-wide. You must acquire and use all computer software and hardware necessary to process the sale of gift certificates and/or stored value cards, loyalty cards and/or customized promotional receipts, and to process purchases made using them and be solely responsible for the service charges related to such processing. You must remit all proceeds from the sale of gift certificates and stored value cards to us or our designee according to the procedures that we prescribe periodically. We will reimburse or credit to you (at our option) the redeemed value of gift certificates and/or stored value cards accepted as payment for products and services sold by your Wow Wow Lemonade Stand.

9.14. Compliance With Legal Requirements. You shall comply with all Legal Requirements and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct your Wow Wow Lemonade Stand in any jurisdiction in which it operates. You agree and acknowledge that you alone are responsible for compliance with Legal Requirements and that we have no obligation to you or any other Person for your compliance under this Section. You specifically acknowledge and agree that your indemnification responsibilities under this Agreement include your obligations under this Section. Without limiting the generality of the foregoing, you specifically agree to comply with all applicable health and safety laws, ordinances and regulations so as to be rated the highest available health and safety classification by the appropriate governmental authorities and to furnish to us copies of all inspection reports, warnings, certificates, and ratings issued by any governmental agency within 10 days of you receiving them. If your Wow Wow Lemonade Stand is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency. In the event your Wow Wow Lemonade Stand fails to be rated in the highest classification or you receive any notice that your Wow Wow Lemonade Stand is not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

9.15. Improvements. If you, your Manager, employees, or Owners develop any new concept, process or improvement in the operation or promotion of your Wow Wow Lemonade Stand or Wow Wow Lemonade Stands generally (an "**Improvement**"), you agree to promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property and we shall be the sole owner of all related copyrights, trademarks, patents, patent applications, and other intellectual property rights. You shall fully disclose the Improvements to us, without disclosure of the Improvements to others, and shall obtain our written approval prior to using such Improvements. You and your Owners hereby assign to us 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 us in obtaining and enforcing the intellectual property rights to any Improvement. In the event that the foregoing provisions of this Section 9.15 are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us 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.

9.16. Suggested Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. Notwithstanding any suggestions, you have the sole and exclusive right as to the minimum prices that you charge for the products and services offered at your Wow Wow Lemonade Stand. We retain the right to establish maximum prices to be charged by you for sales promotions. Any list or schedule of prices we furnish to you may, unless otherwise specifically stated as to the maximum price, be treated as a recommendation only and failure to accept or implement any such suggestion will not in any way affect the relationship between you and us.

9.17. Lease Requirements. You agree to refrain from any activity that may jeopardize your right to remain in possession of, or to renew the lease for your Approved Location. You also agree to comply with all terms of your lease or sublease, and all other agreements affecting the operation of your Wow Wow Lemonade Stand.

9.18. Merchant Services. You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "**Credit Card Vendors**") that we may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You agree not to use any Credit Card Vendor for which we have not given our prior written approval, or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You shall acquire, at your expense, all necessary hardware and/or software used in connection with these non-cash systems.

9.19. PCI Guidelines. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards. You must demonstrate compliance upon reasonable request, which may include having an independent third party Qualified Security Assessor (QSA) conduct a PCI/DSS audit. In the event you are unable to demonstrate full compliance, we may require that you engage the services of an approved vendor to assist you on an ongoing basis. Having a secure managed firewall that meets our system standards is one part of the current requirement. You will be required to enter into a contractual relationship directly with our approved managed firewall vendor.

10. OPERATIONAL ASSISTANCE

10.1. Training. Prior to beginning operation of your Wow Wow Lemonade Stand, you and your Manager must attend, and successfully complete, to our satisfaction, an initial training program in our System, methods of operation, policies, and any other topics as we may determine necessary or appropriate (the "**Initial Training Program**"). There will be no additional charge for you or your Manager to attend the Initial Training Program (for a possible total of 2 people). We may modify the content and manner of conducting the Initial Training Program in our discretion from time to time. You must not commence operation until your Manager has completed the Initial Training Program to our satisfaction. Additionally, we may provide additional training and certification courses from various locations from time to time. If you fail to complete the Initial Training Program to our reasonable satisfaction, we may terminate this Agreement without any refund of fees paid.

10.1.1. The Initial Training Program will relate to the System, System guidelines, and operational and brand standards. We will not train or assist in training your employees or independent contractors. You will be responsible for training your employees and independent contractors. You will be responsible for hiring, training, directing, scheduling, and supervising you employees and independent contractors in the day-to-day operations of your Wow Wow Lemonade Stand.

10.1.2. Should you have the need to replace your Manager, any replacement Manager must attend the Initial Training Program at a time that it is offered by us. The fee for a subsequent Manager to attend the Initial Training Program is $1,000 per attendee, plus all travel, lodging, meals, and other expenses we incur if such training occurs at a location other than our headquarters.

10.1.3. For any subsequent training programs that you are required to attend, we may charge up to $200 per person, per day.

10.1.4. You shall pay all lodging, travel and meals, personal expenses, salary and living expenses incurred by you, your Manager, and/or other Persons attending the training with you or any subsequent training attended by you or your Manager(s) or employees.

10.1.5. We will not pay any compensation for services performed by trainee(s) in connection with training or other assistance, including providing services for us, our Affiliate(s) or other franchisees.

10.1.6. We may, in our discretion, elect not to provide the Initial Training Program to you if, as of the Effective Date, you or your Manager have previously attended and successfully completed the Initial Training Program in connection with the operation of another Wow Wow Lemonade Stand.

10.2. Additional On-Site Assistance. Upon your request, we may provide you with additional on-site assistance and supervision in connection with your Wow Wow Lemonade Stand, at your expense, on mutually convenient dates, subject to scheduling. If you request this additional assistance, you will pay our onsite assistance fee of $100 per hour, plus all travel, lodging, meals, and other expenses we incur in providing assistance to you.

10.3. Periodic Training. We will provide periodic training programs regarding our latest products, techniques, methods, or processes. We have the right to charge you a fee of up to $200 per person per day to attend these training programs. You will be responsible for paying your living and travel expenses and those of your personnel who attend training.

10.4. Meetings. We will, in our discretion, hold periodic meetings to discuss sales techniques, new Authorized Products and Services developments, bookkeeping, training, accounting, inventory control, performance standards, advertising programs, procedures and other topics, which may include an annual convention. You must pay any and all of your own travel and living expenses to attend. These meetings will be held at our headquarters or at a location chosen by us in our discretion. We have the right to require you to attend such meetings.

10.5. Site Visits. We may, at our discretion, either directly or by designee visit your Wow Wow Lemonade Stand for the purpose of rendering advice and consultation or training with respect to your Wow Wow Lemonade Stand, its operation and performance, or to determine compliance by you with System standards as outlined within the Agreement and the Brand Operations Manual. You agree that your Manager will meet with us during site visits.

10.6. Remote Assistance. We will make a representative reasonably available to speak with You on the telephone during normal business hours, as we determine is necessary, to discuss your operational issues and support needs. We may also provide such periodic individual or group advice, consultation and assistance, rendered by telephone, newsletter or bulletins made available from time to time to all System franchisees, as we may deem necessary or appropriate within our sole discretion. In addition, we may communicate with you concerning new developments, techniques and improvements as we deem appropriate in our sole discretion. Failure by us to provide any particular service, either initial or continuing, shall not excuse you from any of your obligations under this Agreement.

11. **ASSIGNMENT**

11.1. By Us. We may transfer or assign the System, the Marks, or all or any part of our rights or obligations under this Agreement to any Person or legal entity without limitation.

11.2. Assignment by You. We have entered into this Agreement in reliance upon and in consideration of your singular personal skill and your qualifications, as well as the trust and confidence we have in you. Therefore, neither your interest in this Agreement, nor any interest in you, in your Wow Wow Lemonade Stand, nor the lease for your Wow Wow Lemonade Stand, will be assigned, transferred, given away or encumbered, voluntarily or involuntarily (a "**Transfer**"), without our prior written consent. We will not unreasonably withhold approval of a Transfer if you comply with the conditions of this Article 11. Our consent to a Transfer shall not constitute a waiver of any claims we may have against you.

11.3. Conditions for Approval of Transfer. We, in our discretion, may impose conditions on granting our consent to the Transfer, which conditions may include any or all of the following:

11.3.1. You and your Owners must be in full compliance with this Agreement, and have been in substantial compliance with this Agreement during the Term, and must pay all amounts then owed to us and our Affiliates.

11.3.2. The transferee must complete and submit all application documents required by us from prospective franchisees at the time of the Transfer and be approved in writing by us as a new franchisee.

11.3.3. The transferee shall have either: (i) assumed this Agreement by a written assumption agreement approved by us, or has agreed to do so at closing, and at closing executes an assumption agreement approved by us (which will include a personal guarantee(s) by the transferee, its principals and/or owners of a beneficial interest in transferee); or (ii) at our option, shall have executed a replacement franchise agreement on the standard form of franchise agreement being offered to new franchisees by us, which may differ from this Agreement in all material respects, including but not limited to having a smaller Protected Area and higher or different fees than were granted in this Agreement.

11.3.4. You must pay, or cause the transferee to pay, to us a non-refundable Transfer fee equal to sixty-six and sixty-seven one hundredths percent (66.67%) of our then-current initial franchise fee. We will not require you to pay this fee if your Transfer is to a spouse or an adult child of an Owner (but we will require such Person to take and pass the Initial Training Program).

11.3.5. At the expense of either you or the transferee, upgrade, remodel, or replace the assets used by your Wow Wow Lemonade Stand, including any and all equipment, to conform to our then-current standards and specifications for new franchisees, and will complete the upgrading, remodeling, or replacing and other requirements within the time specified by us.

11.3.6. Prior to the date of Transfer, or at the first available date and time scheduled after the Transfer, the transferee will attend training at our designated location as required under the-then current Franchise Agreement being used by us.

11.3.7. You and each of your Owners shall have executed a general release, in our then-current form (the current form is attached to the Franchise Disclosure Document as **Exhibit G**), of any and all Claims against us and our Affiliates and our respective officers, directors, shareholders, manages, members, agents and employees in their corporate and individual capacities; provided, however, that any release will not be inconsistent with any state law regulating franchising.

11.3.8. If any part of the sale price is financed, you must agree that all obligations of the transferee under any promissory note, other payment agreement, or financing statement will be subordinate to the obligations of the transferee to pay the Royalty Fee, Brand Fund Fee, and other amounts due to us and our Affiliates pursuant to this Agreement.

11.4. Right of First Refusal. At least 30 days before you intend to Transfer your Wow Wow Lemonade Stand, you will give written notice to us of your intention to make a Transfer.

11.4.1. We will have the right to acquire your Wow Wow Lemonade Stand at the same price, and on the same terms and conditions, as contained in any bona fide offer from a third party to acquire your Wow Wow Lemonade Stand. Our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, us or our designee may provide promissory notes with the same terms as those offered by the proposed transferee).

11.4.2. If the consideration, terms, and/or conditions offered by the third party are such that we may not reasonably be required to furnish the same consideration, terms, and/or conditions, then we may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree as to the reasonable equivalent in cash consideration, an independent appraiser will be appointed by mutual agreement and the determination of the appraiser will be binding.

11.4.3. We must receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a Business Entity, as applicable.

11.4.4. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

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 us. This Section 11.4 will not apply to: (a) a Transfer by you or your Owners to your spouse or adult child, or the spouse or adult child of your Owners; or (b) if you are a Business Entity, the Transfer of your shares to an Owner who was identified on **Addendum 1** of this Agreement as of the Effective Date.

11.5. Payment of Professional Fees. In the event that you request our consent to a Transfer but that Transfer is not consummated, such that you do not pay to us the non-refundable Transfer Fee set forth in Section 11.3.4, you will reimburse all reasonable costs (including legal fees) incurred by us with respect to the granting of our approval.

11.6. 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 your Wow Wow Lemonade Stand, the executor, administrator, or personal representative of such Person shall Transfer such interest to a third party approved by us 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 11.6, the executor, administrator, or personal representative of the decedent shall Transfer the decedent's interest to another party approved by us 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, we may, at our option, terminate this Agreement. In the event of your death or disability (if you are an individual), the Transfer of your interest in this Agreement and your Wow Wow Lemonade Stand by will or intestate succession, or conveyance of such interest in the event of disability, to your individual heirs, will require our written consent, but will not give rise to our right of first refusal under Section 11.4. However, our right of first refusal will apply to any proposed Transfer or assignment by such heirs.

11.7. Limited Assignment Right for Sole Proprietorships or Partnerships. If you are a sole proprietorship or partnership, we expressly consent to the Transfer of this Agreement, without payment of a fee, to a Business Entity owned and controlled by the same Owners, provided that you and each of the Owners execute: (a) an assignment agreement; and (b) the Owner Agreement attached as Addendum 2, and provided that you comply with the requirements of Section 1.8. You must notify us in writing of any proposed Transfer under this Section 11.7 and must provide and/or sign all documents we reasonably request relating to your legal entity including, but not limited to, assignment documents, articles of incorporation or organization and bylaws.

11.8. Transfer of Non-Controlling Interest. Notwithstanding the foregoing, if you are a Business Entity, your Owners may Transfer up to a total of 10% of the ownership interest in the Business Entity to one or more third parties. We have the right to condition our approval of such a Transfer on you meeting the following terms: (a) you have provided to us advance notice of the Transfer; (b) **Addendum 1** has been amended to reflect the new ownership; (c) each new Owner has signed the Owner Agreement in the form of **Addendum 3**; and (d) any new Owner attends our Initial Training Program and pays our then-current fee for the Initial Training Program for attending that program. Notwithstanding the foregoing, any Transfer, or series of Transfers must be approved by us in the manner set forth in this Article 11 when: (a) the Transfer or series of Transfers is made to an Owner or Owners that were not listed in **Addendum 1** as of the Effective Date, which result(s) in the Owner or Owners owning more than 10% of your Wow Wow Lemonade Stand; or (b) collectively result(s) in a change of control of the Franchised Businses.

11.9. Pledge or Encumbrance Without Consent Prohibited. Neither you nor any of your Owners will pledge, encumber, charge, hypothecate or otherwise give any third party a security interest in this Agreement, your Wow Wow Lemonade Stand, the Business Entity (if applicable), or the shares or assets of the Franchised Businses without our express prior written consent , which permission will not be unreasonably withheld. Nothing in this Agreement or in any documents relating to any purported encumbrance shall be construed to impair our power to exercise any rights or remedies we may have under this Agreement and applicable law, including but not limited to: (a) the power to issue notices of default or to terminate this Agreement in accordance with its terms and applicable law; (b) our right of first refusal as set out in Section 11.4 above; or (c) the requirement of our consent as set out in Section 11.3 above. Without written consent, the pledge or encumbrance shall be void.

11.10. Termination, Resignation, Death or Disability of Manager. If, due to termination, resignation, death, or disability, no one is able to perform management or training supervisory duties relating to your Wow Wow Lemonade Stand, you must, within a reasonable time not to exceed fifteen (15) days from the date of termination, resignation, death, or disability, appoint a new Manager. Each new Manager must, at your expense, attend and complete the Initial Training Program to our satisfaction within thirty days of their appointment as your new Manager. If, in our sole judgment, your Wow Wow Lemonade Stand is not being managed properly, or your employees are not being adequately supervised, at any time after the Manager's termination, resignation, death, or disability, we will have the right (but not the obligation) to exercise our step-in rights under Section 16.9.

12. COVENANTS REGARDING COMPETITION AND CONFIDENTIAL INFORMATION

12.1. Acknowledgement. You acknowledge that you will obtain knowledge of Confidential Information that is essential to the operation of your Wow Wow Lemonade Stand, without which information you could not effectively and efficiently operate. You further acknowledge that such Confidential Information was not known to you prior to the execution of this Agreement. You further acknowledge and agree that all of the Confidential Information is our sole property, represents valuable assets of ours, and that we have the right to use the Confidential Information in any manner we wish at any time.

12.2. Use and Disclosure of Confidential Information. You will not use any Confidential Information for any purpose other than in the manner directed by us. You may disclose Confidential Information only to your employees, agents and representatives as reasonably necessary in order to operate your Wow Wow Lemonade Stand. You may not, during the Term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other Person or entity any Confidential Information, except to such employees and independent agents as must have access to it in order to operate your Wow Wow Lemonade Stand, and you agree that your use of Confidential Information for any purpose other than the development and operation of your Wow Wow Lemonade Stand in accordance with this Agreement would constitute unfair competition. Any and all Confidential Information may not be used for any purpose other than conducting your Wow Wow Lemonade Stand. You agree not to make any copies of, reproductions of, or extracts of any Confidential Information except strictly incidental to, and solely in furtherance and within the scope of your relationship with us. You will never reveal any Confidential Information to any Person, except as permitted by this Agreement or pursuant to an order from a court of competent jurisdiction. In the event that you should receive such a court order, you will provide immediate oral and written notice of such order to us, and shall cooperate with us in protecting the secret nature of the Confidential Information. Upon termination of this Agreement, you shall immediately return to us all written materials (including computerized information) you have received from us or that you have developed during the Term of this Agreement. You shall not retain any written materials (including computerized information) that contain Confidential Information.

12.3. Covenant Not to Compete: During Term. You covenant and agree that, during the Term and any successor term(s), neither you nor your Owners, Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, be employed by, consultant with, represent, or act as an agent for, any Competitive Business anywhere.

12.4. Covenant Not to Compete: After Term. For the reasons stated in Section 12.3 above, you covenant and agree that, for a period of three (3) years after the termination of this Agreement or any successor to this Agreement, regardless of the reason, cause, purpose, or source of the termination (including but not limited to the Transfer, sale, or assignment of this Agreement by you), neither you nor your owners, Manager(s), officers, directors, members, and partners will directly or indirectly own, invest in, partner with, direct, serve as an officer or director for, serve as a manager for, consult with, represent, or act as an agent for, any Competitive Business within thirty (30) miles of; (a) the Protected Area; or (b) any other Wow Wow Lemonade Stand that is then open or under development.

12.5. Covenant Not to Divert Customers. You agree that, during the term or any successor term(s), and for a period of three (3) years after the termination or expiration of this Agreement or any successor agreement(s), you will not divert, attempt to divert, or accept business from any customer of your Wow Wow Lemonade Stand, or customer of any other Wow Wow Lemonade Stand, to any Competitive Business.

12.6. Further Acknowledgements by You. You agree that all covenants in this Agreement and this Article 12 are fair and reasonable in both duration and area, and will not impose any undue hardship on you. You agree that the existence of any Claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to enforcement by us of the covenants in this Article. You further acknowledge that a violation of any covenant in this Article will cause irreparable harm to us, the exact amount of which may not ascertainable, and therefore, you consent that in the event of such violation, we will, as a matter of right, be entitled to apply for injunctive relief to restrain you, or anyone acting for or on your behalf, from violating said covenants. Such remedies, however, are cumulative and in addition to any of the remedies to which we may then be entitled. The covenants set forth in this Article 12 will survive the termination or Transfer of this Agreement. You agree to pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by us in connection with the enforcement of the covenants in this Article 12. YOU EXPRESSLY ACKNOWLEDGE THAT YOU POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAVE OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE YOU OF THE ABILITY TO EARN A LIVING.

12.7. Covenants Are Severable; Tolling. The parties agree that each covenant herein is construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this

Agreement is held unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which we are a party, you 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 resultant covenant were separately stated in and part of this Agreement. Any period of time specified in this Article 12 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant.

12.8. Preservation of Confidentiality. You shall not permit any Person (including your Owners, Managers, principals, officers, directors, and employees) access to Confidential Information (including the Brand Operations Manual) without first requiring them to execute a confidentiality agreement, in a form approved by us, requiring that all Confidential Information that may be acquired by or imparted to such Person be held in strict confidence and used solely for the benefit of the Franchised Businses and us. All confidentiality agreements described in this paragraph must include a specific identification of us as a third-party beneficiary with the independent right to enforce the agreement. Our current approved form is attached as **Exhibit I** to our Franchise Disclosure Document.

12.9. Limited Exclusion. The restrictions contained in Sections 12.3 and 12.4 above will not apply to ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if such shares are owned for investment only, and are not owned by an officer, director, employee or consultant of such company.

13. AUDITS; INSPECTIONS

13.1. Financial Planning and Management. You must keep such complete records of your Wow Wow Lemonade Stand as a prudent and careful businessperson would normally keep. You must keep your financial books and records as we may from time to time direct in the Brand Operations Manual or otherwise, including retention of all invoices, accounts, books, data, licenses, order forms, payroll records, check records, bank deposit receipts, sales tax records, refunds, cash disbursements, journals and general ledgers. Within three (3) days after the end of any monthly reporting period, you must submit to us a complete and accurate accounting of your Gross Sales for the previous Reporting Period in the format requested by us, which may be electronic, through the POS System or otherwise. You will maintain an accounting system reflecting all operational aspects of your Wow Wow Lemonade Stand, including uniform reports as may be required by us, prepared in accordance with accounting methods utilized and generally accepted for federal income tax return purposes. You will also submit to us current financial statements; forms showing the sales, use, and gross receipt taxes paid by you; and such other reports or documents kept by you as we may reasonably request. On or before April 15 of each year, you must provide us with a copy of your federal tax return for the previous tax year. You will maintain the records required under this Section 13.1 for a period of three (3) years after the expiration or termination of this Agreement.

13.2. Inspection Rights and Access to Records. During the Term and for a period of three (3) years following the termination or expiration of the Agreement, we (either directly or through a designated agent) have the right to visit the place where your records are located and inspect all aspects of the operation of your Wow Wow Lemonade Stand, at any time during normal business hours and without advance notice. You acknowledge that any evaluation or inspection we conduct is not intended to exercise, and does not constitute, control over your day-to-day operation of your Wow Wow Lemonade Stand or to assume any responsibility for your obligations under this Agreement.

13.2.1. As part of such visit, we have the right to: (a) inspect your Wow Wow Lemonade Stand operating materials and supplies; (b) observe the operations of your Wow Wow Lemonade Stand for such consecutive or intermittent periods as we deem necessary; (c) take photographs, movies or video recordings of your Wow Wow Lemonade Stand; (d) interview your personnel; (e) conduct customer surveys; (f) inspect and copy any books, Customer Information, records, and documents relating to the operation of your Wow Wow Lemonade Stand, including contracts, leases, and material and information generated by or contained in the POS System; and (g) select and take products, inventory, supplies, equipment and other items from your Wow Wow Lemonade Stand to evaluate whether they comply with our Brand Operations Manual. You must cooperate fully with us in connection with these inspections, observations, surveys and interviews. We will not be obligated to give you or your Manager any prior notice of any such inspection. We may require you or your Manager to correct any issues that we discover during the inspection.

13.2.2. You authorize us or our designee to make reasonable inquiries of your bank, suppliers and trade creditors concerning your Wow Wow Lemonade Stand, and by this Agreement you direct such persons to provide us with such information and copies of documents pertaining to your Wow Wow Lemonade Stand as we request.

13.2.3. We and our designee have the right to discuss your records and your Wow Wow Lemonade Stand with your Manager and any officers, directors and employees responsible for maintaining records.

13.2.4. We will have the right to share your financial information with your actual or perspective landlords or lenders, and among our franchisees generally. We will have the right to use your information in our franchise disclosure document.

13.3. Follow-up Inspection Fee. If an inspection results in a "fail" rating under the criteria established by us in our sole discretion, and we conduct follow-up inspections, you will pay us our then-current inspection fee for each follow-up inspection, which, as of the Effective Date, is five hundred dollars ($500), or, if the inspection is performed by a third party, the reasonable costs paid by us to such third party for that service.

13.4. Ownership of Customer Information and Goodwill. You acknowledge that we own all information and other business records ("**Customer Information**") with respect to the Customers of your Wow Wow Lemonade Stand, including all Customer-related contact names, addresses, telephone numbers, e-mail addresses, and Customer purchase records, and that Customer Information will include all information generated or recorded as a result of your efforts while using the Marks. You agree to use reasonable efforts to obtain and capture Customer Information, with Customer permission, consistent with any Customer tracking or loyalty program(s) we may establish from time-to-time. You agree to input Customer Information into the POS System, or other system or method of retention specified in the Brand Operations Manual, if we direct you to do so. You must not export Customer Information from the POS System or software. We have the right to use and exploit the Customer Information in any way we choose. You agree that any goodwill resulting from your activities under this Agreement is our sole property.

13.5. POS System. You will purchase and install a POS System as required by us. You shall make all improvements to the POS System in the manner, and when, specified by us in writing, even if such improvements require you to spend additional money on the POS System. You have sole and complete responsibility for the manner in which your POS System interfaces with other systems, including those of ours and other third parties, as well as any and all consequences that may arise if your POS System is not properly operated, maintained and upgraded.

13.5.1. You will lease or purchase equipment and software for the POS System only from Approved Suppliers. You shall not install, or permit to be installed, any devices, software or other programs not approved by us for use with the POS System. You will not authorize the use of the software by anyone else and will not configure, program or change any software programs.

13.5.2. We may from time-to-time designate, develop, or authorize others to develop proprietary computer applications for use as part of the POS System, which you may be required to purchase and/or license and use in the operation of your Wow Wow Lemonade Stand. You shall execute any license, sublicense or maintenance agreement required by us or any other Approved Supplier of proprietary computer applications designated by us.

13.5.3. You, your Owners, officers, directors, employees and independent contractors will release, defend, indemnify and hold us harmless for and from any and all Claims, losses, liabilities, damages or expenses (including reasonable attorneys' fees, court costs, and costs of investigation) of any kind or nature whatsoever incurred by you, your Owners, officers, directors, employees and independent contractors resulting from your use of third-party software. This release, defense, indemnification and hold harmless will survive the termination of this Agreement.

13.5.4. You must: (a) promptly enter into your POS System and maintain all information required to be entered and maintained by us; (b) provide to us such reports as we may reasonably request from the data so collected and maintained; and (c) permit us to access your POS System at all times and any time by any commercially available means specified by us from time to time. You must cooperate with us and any third party to permit our access to your POS System and data contained therein.

13.5.5. Any and all data collected or provided by your, downloaded from your POS System, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, who has the right to use the data in any manner without compensation to you. You are hereby licensed, without additional compensation, to use such data solely for the purpose of operating your Wow Wow Lemonade Stand. This license will automatically and irrevocably expire, without additional notice or action by us, when this Agreement terminates or expires.

13.5.6. You acknowledge and understand that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet failures, date-related problems, and attacks by hackers and other unauthorized intruders. We do not guarantee that information or communication systems supplied by us or our Suppliers will not be vulnerable to these problems. You acknowledge and agree that you are solely responsible for protecting yourself from these problems. You must take reasonable steps to secure your POS System and any other computer system, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

13.6. Audit. We and/or our designated agents have the right at all reasonable times to examine and copy, at our expense, your books, records, accounts, sales tax records, Customer Information, and business tax returns relating to your Wow Wow Lemonade Stand. We also have the right, at any time, to have an independent audit made of your books and records or to require you to participate in a mail-in audit or any other form of audit in accordance with the Brand Operations Manual. You agree to cooperate fully with our representatives and independent accountants in any examination. If an inspection or audit reveals that any payments due to us have been understated in any report to us, then you must immediately pay us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection or audit discloses an understatement in any report of three percent (3%) or more, you must, in addition to repaying money owed with interest, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs). The remedies in this Section 13.6 are in addition to any other remedies we may have as a result of your underreporting, including but not limited to the right to terminate this Agreement.

13.6.1. You must cooperate in scheduling any audit and providing access to records, which must be maintained and presented in reasonable order to allow the audit to be conducted in a reasonable time.

13.6.2. Your failure, refusal or neglect to dispute any fees or contributions that an audit reveals you owe, including any fees, costs and penalties assessed in connection with an audit, constitutes a waiver of any right to challenge such fees, unless you provides us written notice of your dispute, along with an explanation of the basis for your dispute, within thirty (30) days of the date we deliver the audit results to you in writing.

13.7. Consent to Use of Likeness and your Wow Wow Lemonade Stand. You agree that we have the right to use the likeness (including photographs or videos containing images) of: (a) you; (b) if you are a Business Entity, your Owners; and (c) your Wow Wow Lemonade Stand, for any purposes relating to the promotion or marketing of the System or Marks.

14. **RELATIONSHIP BETWEEN THE PARTIES**

14.1. Your Name. You must operate solely under the name identified on **Addendum 1** and may use "Wow Wow Hawaiian Lemonades®" or other Marks only as a "doing business as" (d/b/a) designation, unless we agree otherwise. You must use no other name in connection with any advertising or operation of your Wow Wow Lemonade Stand. We have the right to review and require changes to any display of your name or the Marks.

14.1.1. You may not include "Wow Wow" or any of the Marks in your legal name.

14.1.2. You must post a conspicuous notice on or near the front entrance of your Wow Wow Lemonade Stand that clearly states: "EACH WOW WOW HAWAIIAN LEMONADES® BUSINESS IS INDEPENDENTLY OWNED AND OPERATED" or any modification of this statement as may be required in the Brand Operations Manual. You must include this disclaimer on all business cards, stationery, promotional and advertising materials, website and Internet communications, real estate documents, and all other materials you use.

14.1.3. In all public records, in relationships with other persons, and on letterhead and business forms, you must indicate that you independently own your Wow Wow Lemonade Stand, and that you are solely a franchisee of Wow Wow Hawaiian Lemonade Franchising, LLC.

14.2. Relationship of Parties. It is expressly agreed that the parties intend by this Agreement to establish between us and you the relationship of franchisor and franchisee. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. Neither you nor us is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You will not hold yourself out as the agent, employee, partner or co-venturer of ours. Neither shall have the power to bind or obligate the other except specifically as set forth in this Agreement. The parties agree that the relationship created by this Agreement is one of an independent contractor and not a fiduciary relationship.

14.2.1. We will not be obligated for any damages to any Person or property directly or indirectly arising out of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act, or your use of the Marks in a manner not in accordance with this Agreement. You must not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for your debts or obligations.

14.2.2. All employees hired by or working for you shall be your employees exclusively and shall not, for any purpose, be deemed employees of ours or subject to our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Each of the parties shall file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments, with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of your employees and/or independent contractors, nor vice versa.

14.2.3. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions for your Wow Wow Lemonade Stand does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. You alone are solely responsible for all hiring and employment decisions and functions relating to your Wow Wow Lemonade Stand, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You agree that any direction you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us.

14.2.4. You alone are responsible for all employment decisions and functions of your Wow Wow Lemonade Stand, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, setting hours for, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Wow Wow Lemonade Stand and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of System which you are required to comply with under this Agreement, whether set forth in the Brand Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Wow Wow Lemonade Stand, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Wow Wow Lemonade Stand.

14.2.5. You agree to inform each of your employees and contractors that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you, and you will request that your employees and contractors sign any acknowledgement or disclosure we reasonably require explaining the differences between us (your franchisor) and you (their employer or contractor).

14.2.6. You acknowledge that we may, from time-to-time, make certain recommendations as to employment policies and procedures, which may include (among other things) a sexual harassment policy. You will have sole discretion in whether to adopt any such policies and procedures, and as to the specific terms of those policies and procedures. Training with respect to all such policies and procedures will be your sole responsibility.

14.3. Owners Agreement. You and each of your Owners must, jointly and severally, sign the Owner Agreement attached as **Addendum 3**, and you and each of your Owners will otherwise bind themselves to the terms of this Agreement. If the ownership interest is acquired after Effective Date, each new Owner must sign and provide the Owner Agreement to us within ten (10) days after obtaining the interest as an Owner.

15. INDEMNIFICATION; INSURANCE

15.1. Indemnification. You, and each of the Owners identified on **Addendum 1**, agree that you will, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, and Affiliates and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "**Indemnified Parties**") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, damages (actual, consequential, or otherwise), demand, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, investigation, or inquiry (formal or informal), or any settlement of any of them, which arises out of or is based upon any of the following:

15.1.1. The infringement, alleged infringement or any other violation by you, your Owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any portion of the Marks and/or System.

15.1.2. Yours, or your Owners', violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling or industry standard.

15.1.3. Yours, or your Owners', libel, slander, or any other form of defamation.

15.1.4. Your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees.

15.1.5. Yours, or yours Owners': (a) violation or breach of any warranty, representation, agreement, or obligation in this Agreement or in any other agreement between you and us or our Affiliates; (b) acts, errors, or omissions, or those by any of your affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, or employees in connection with the establishment and operation of your Wow Wow Lemonade Stand, including, but not limited to, any acts, errors, or omissions of any of them in the operation of any motor vehicle or in the establishment or implementation of security for your Wow Wow Lemonade Stand.

15.1.6. Any damages, incidents, or claims listed in this Section 15.1 that are alleged to be caused by an Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by the Indemnified Party's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

We have the right to defend any such action or claim against us at your expense. This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. For the purposes of the indemnification in this Section 15.1 only, the term "claim" also includes all obligations and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration, or alternative dispute resolution and travel and living expenses.

15.2. Mitigation Not Required. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

15.3. Insurance. During the Term of this Agreement, you must maintain in force, at your expense, policies of insurance, in the minimum amounts specified by us, issued by carriers approved by us. Specifically, you must purchase and maintain throughout the term of this Agreement: (1) comprehensive commercial general liability insurance for your Wow Wow Lemonade Stand with an umbrella of at least $1,000,000 aggregate, with an endorsement specifically covering cyber liability risks; (2) property and casualty coverage on each store location: (3) business interruption coverage; (4) automobile liability of $250,000 per person, $1,000,000 per accident, and $100,000 property damage for any vehicles used in the operation of your Wow Wow Lemonade Stand; (5) worker's compensation in accordance with state and other applicable laws; (6) employer's liability insurance; (7) unemployment insurance; (8) state disability insurance; and (9) other insurance to meet any applicable statutory requirements. You must also maintain all other insurance required by state or federal law, or as required by your landlord. We may unilaterally modify these insurance requirements, which modifications may include increasing minimum policy limits, by delivering to you written notice of the change through the Brand Operations Manual.

15.3.1. Insured Parties. All insurance policies must be endorsed to: (i) name us and our Affiliates (and the officers, directors, members, shareholders, partners, agents and employees of each) as additional insureds in the broadest form extending to the insured parties' negligence and errors and omissions, and cannot be limited to vicarious liability; and (ii) contain a waiver by the insurance carrier of all subrogation rights against us and the insured parties. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us. You must furnish us with duplicate policies or certificates evidencing insurance and compliance with these requirements in force as required herein prior to taking possession of your Wow Wow Lemonade Stand. Evidence of payment of premiums must be delivered to us at least thirty (30) days prior to the expiration dates of each existing insurance policy.

15.3.2. Continuation of Policy. Regardless of the amounts stated above, it is your responsibility to maintain adequate insurance coverage at all times during the term of and after the expiration of this Agreement, so that coverage, including but not limited to any policies that are on a "claims made" basis, which through the purchase of an extended reporting endorsement (i.e., "tail" insurance) will be in effect for acts or omissions that occurred prior to the termination of the policy and are reported within a 24 month period following the end of the policy period.

15.3.3. Our Right to Obtain Insurance. In the event you fail to obtain the required insurance and to keep the same in full force and effect, we may, but are not obligated to, purchase insurance on your behalf from an insurance carrier of our choice, and you must reimburse us for the full cost of such insurance, plus an administrative fee equal to 20% of the cost of such premiums, within five days of the date we deliver an invoice detailing such costs and expenses to you.

15.3.4. Acknowledgement. You acknowledge that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect you from losses in connection with your Wow Wow Lemonade Stand. Nothing in this Agreement prevents or restricts you from acquiring and maintaining insurance with higher policy limits or lower deductibles than we require. Any insurance policies that we carry do not and will not limit or relieve you from any of your obligations under this Article 15.

16. **DEFAULT; TERMINATION**

16.1. Immediate Termination With Notice and No Opportunity to Cure. We will have the right to terminate this Agreement immediately, without providing to you an opportunity to cure, upon written notice to you under any of the following circumstances:

16.1.1. Abandonment. You abandon your Wow Wow Lemonade Stand or fail to keep your Wow Wow Lemonade Stand open and operating for business for a period of three (3) consecutive days, except as may be allowed by us as stated in the Brand Operations Manual or otherwise in writing.

16.1.2. Bankruptcy. You become insolvent or are adjudicated as bankrupt; or any action is taken by you, or by others against you, under any insolvency, bankruptcy or reorganization act; or if you make an assignment for the benefit of creditors, or a receiver is appointed for you.

16.1.3. Certain Acts. Conduct or activity by you, your Manager(s), or Owners that is reasonably likely to have an adverse effect or reflect unfavorably on your Wow Wow Lemonade Stand, us, the System, Wow Wow Lemonade Stands generally, the Marks, or the goodwill associated therewith, including (but not limited to) a felony conviction of you or any of your Owners or Managers.

16.1.4. Unauthorized Assignment. You or an Owner purports to sell, assign, Transfer or encumber this Agreement, your Wow Wow Lemonade Stand or an interest in your Wow Wow Lemonade Stand without our prior written consent in violation of Article 11.

16.1.5. Failure to Comply With Laws. You fail to comply with any material Legal Requirement applicable to the operation of your Wow Wow Lemonade Stand, and fail within the time period allowed by law (if applicable) to cure the noncompliance following your receipt of notice of the noncompliance. If no time period is specified, the cure period will be twenty-four (24) hours from the receipt of such notice.

16.1.6. Repeated Defaults. If we deliver to you two or more written notices of default pursuant to this Article 16 within any twelve-month period during the Term, whether or not the defaults described in such notices ultimately are cured.

16.1.7. Understating Gross Sales. You submit on two or more occasions during the Term a report, financial statement, tax return, schedule or other information or supporting record (including submission by or through the POS System) which understates your Gross Sales by three percent (3%) or more, unless you demonstrate that such understatement resulted from inadvertent error.

16.1.8. Material Misrepresentations. You make any material misrepresentation relating to the acquisition of your Wow Wow Lemonade Stand or in connection with the operation of your Wow Wow Lemonade Stand.

16.1.9. Failure to Allow Audit or Inspection. You refuse to allow or cooperate with the audits or inspections by us described in Article 13 of this Agreement.

16.1.10. Violation of Restrictive Covenants. You or your Owners violate any of the restrictive covenants set forth in Article 12 of this Agreement.

16.1.11. Interference With Relationships. You interfere or attempt to interfere with our actual or prospective contractual relations with Approved Suppliers, Suppliers, other Wow Wow Lemonade Stands, employees, advertising agencies or any third parties.

16.1.12. Sale of Unapproved Products or Services. You offer or sell as part of your Wow Wow Lemonade Stand any unapproved program, service or product; do not sell Authorized Products or Services, or the products identified on the Authorized Menu; or do not use or disseminate (as applicable) all materials, notices and procedures specified by us.

16.1.13. Termination of Lease. Your lease for your Wow Wow Lemonade Stand is terminated due to your default or breach, or if your right of possession of the Approved Location is terminated at any time for any cause whatsoever.

16.1.14. Intellectual Property Misuse. You challenge the validity of, materially misuse, or make any unauthorized use or disclosure, or duplication of the Confidential Information (excluding only independent acts of employees or others if you exercised your best efforts to prevent such disclosures or use).

16.1.15. Anti-Terrorism Laws. You violate, or make any misrepresentation regarding your compliance with, or violation of, Anti-Terrorism Laws by you, your Owners, officers, directors, Managers, members, partners, or agents.

16.2. Termination After 10-day Cure Period. We have 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 us or our Affiliates; (c) failure to pay any amounts due to your trade creditors (unless such amount is subject to a bona fide dispute); (d) failure to pay any amounts for which we have advanced funds for or on your behalf, or upon which we are acting as guarantor of your obligations; (e) failure of you or your employees to obtain and maintain any permit or license necessary for the operation of your Wow Wow Lemonade Stand; (f) your Owners are engaged in a dispute with one another (deadlock) that materially affects the operation of your Wow Wow Lemonade Stand; (g) you fail to resolve Customer complaints and/or disputes as required by Section 9.12; or (h) you fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to a bona fide dispute) which dispute or deadlock remains unresolved after the expiration of the 10-day cure period. The description of any breach in any notice served upon you by us will in no way preclude us from specifying additional or supplemental breaches in any action, arbitration, hearing or suit relating to this Agreement or its termination.

16.3. Termination with 30-Day Cure Period. Except for any default by you under Sections 16.1 or 16.2 of this Agreement, and as otherwise expressly provided elsewhere in this Agreement, you shall have thirty (30) days after our written notice of default within which to remedy any default under this Agreement, and to provide evidence of such remedy to us. If the default is such that it cannot be reasonably cured within such thirty (30) day period, we will grant you additional time to correct the defect so long as the corrective action is begun within the 30-day period and is pursued diligently to completion. Any such additional time so granted need not exceed sixty (60) days. If any such default is not cured within that time period, this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure. This thirty (30) day cure period will include your failure to open your Wow Wow Lemonade Stand on or before the required opening date stated in Section 3.8.

16.4. Effect of Laws; Election by Us not to Terminate Immediately. If applicable law will not allow the termination of this Agreement immediately as set forth in Section 16.1 above, or if we elect not to have the default result in the immediate termination of this Agreement, the concerned default will be subject to the provisions of, and the cure period stated in, Paragraph 16.2.

16.5. Termination by You. You can terminate this Agreement only with our prior written consent, or if we commit a material breach of this Agreement that is not cured within sixty (60) days after written notice from you identifying the alleged material breach. If the nature of the breach is such that we will be unable to cure the same within the required 60 day period, we can take such additional time as may be reasonably necessary within which to cure said breach provided that the we have begun taking corrective action within the 60 day period and such cure is pursued diligently to completion.

16.6. Cross-Default. Any default by you under any agreement between you and us or our Affiliates, or under your lease for your Wow Wow Lemonade Stand, and your 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. If the default under the other agreement is such that it would entitle us to immediately terminate that other agreement, then we will be entitled to immediately terminate this Agreement in the manner set forth in Section 16.1.

16.7. Our Pre-Termination Options. If you fail to pay any amount owed under this Agreement, or fail to comply with any term of this Agreement or the Brand Operations Manual (subject to applicable notice and cure periods), then, in addition to our right to terminate this Agreement or to bring a claim for damages, we have the following options as we deem necessary or appropriate:

16.7.1. To suspend all services provided to you under this Agreement or otherwise, including training, marketing assistance, and the sale of products and supplies.

16.7.2. To eliminate listing you in any advertising, marketing or promotional materials, including any directory listings, approved or published by us, and our principal website.

We may continue taking these actions until you comply with the requirements of any default notice that we have sent, and we acknowledge your compliance in writing. The options in this Section 16.7 will have no effect on, and will not release you from, any obligation you owe to us or to our Affiliates.

16.8. Default Fee. Upon the occurrence of an event of default by you, we will have the right, upon written notice to you, to impose a separate default fee equal to five hundred dollars ($500) per breach ("**Default Fee**"). The Default Fee is intended to compensate us for the administrative costs we incur by monitoring, notifying and following up with you after a default has occurred. Each Default Fee is in addition to any other rights and/or remedies that we may have including, without limitation, our right to terminate this Agreement.

16.9. Step-In Rights and Management. To prevent any interruption of business of your Wow Wow Lemonade Stand and any injury to the goodwill and reputation thereof which may be caused thereby, in the event of your default under this Agreement or in the event of your death or permanent incapacity (mental or physical), we will have the right (but not the obligation) to operate your Wow Wow Lemonade Stand for as long as we deem necessary and practical. You hereby authorize us to undertake such operation, but our exercising these rights will not constitute a waiver of any other rights or remedies we may have under this Agreement. If we operate your Wow Wow Lemonade Stand, we shall have the right to collect and pay from the revenues of your Wow Wow Lemonade Stand all expenses relating to the operation of your Wow Wow Lemonade Stand including, without limitation, Royalty Fees and Brand Fund contributions, employee salaries, reimbursement of our expenses incurred in connection with such operation, and a management fee of two hundred dollars ($200) per day. You shall indemnify and hold us harmless from any and all Claims arising from the alleged acts and omissions of us and our representatives in exercising our rights under this Section 16.9.

16.10. Reimbursement of Our Costs. If we are required to engage a collection agency, use legal counsel, or hire any third party in connection with any failure of yours to pay us amounts when they are due, or your failure to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with this Agreement, you must reimburse us for all costs and expenses of enforcement and collection, including our reasonable: (a) legal fees; (b) investigation fees; (c) travel expenses of our employees or agents; and (d) hourly charges of our employees or agents. These amounts must be paid to us by you within five (5) days after you cure the default, or upon demand by us if your default is not cured.

17. POST TERMINATION OBLIGATIONS

Upon termination or expiration of this Agreement for any reason, or (to the extent applicable) a Transfer by you:

17.1. Cease Use of Marks and System Materials. You must immediately cease all use of the Marks and Trade Dress, the Brand Operations Manual, materials relating to the System and its operation, and Confidential Information, and you must not use any trademarks, tradenames, service marks, or other commercial symbols that indicate or suggest a connection with us.

17.2. Representations of Affiliation. You must refrain from any representation whatsoever that you are our franchisee, or that you are or have been affiliated with us, and take any affirmative action necessary to remove any use of the Marks in connection with your Wow Wow Lemonade Stand. You must, at our option and request, assign to us all rights to all telephone numbers, e-mail addresses, URLs, domain names, social media identities, Internet listings, and Internet accounts related to your Wow Wow Lemonade Stand. If you do not voluntarily comply with this Section 17.2, we may, at our option, execute in your name and on your behalf, any and all documents necessary to end your use of the Marks and you irrevocably appoint the person serving as our manager or President as your attorney-in-fact to do so. You must take all actions as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks. You must never use any trade name, trademark, or other identifying symbol that is confusingly similar to any of the Marks.

17.3. Assignment of Lease; De-Identification. We shall have the option to assume your lease for your Wow Wow Lemonade Stand premises, such option to be exercised at any time before or within 30 days after expiration or termination of this Agreement. If we exercise this option, you shall assign to us or our designee your interest in the lease. If we or our designee assume your lease, title to all leasehold improvements will convey to the assignee upon such assignment, without any further consideration. If we do not exercise our option, you shall modify your Wow Wow Lemonade Stand premises (including, without limitation, changing of the color scheme and other distinctive design features, and the changing of and assigning to us of, the telephone numbers) as may be necessary to distinguish the appearance of your Wow Wow Lemonade Stand from that of other Wow Wow Lemonade Stands, and shall make such specific additional changes to your Wow Wow Lemonade Stand as we may reasonably request for that purpose. Such de-identification must be completed within fifteen (15) days after expiration or termination of this Agreement. If you do not make these changes, you hereby nominate us as your attorney-in-fact to enter the premises of the Approved Location to make those changes on your behalf, and you agree to indemnify us and our designees from any and all damages that you or any third parties incur due to us exercising these rights.

17.4. Payment; Security Interest. You must pay all sums owed under the terms of any agreement with us or our Affiliates within fifteen (15) days of termination or expiration of this Agreement, or such later date that any amounts due have been determined by us. Those sums will include all interest, damages, costs and expenses, including reasonable attorneys' fees, incurred by us, whether or not the sums are incurred prior to or subsequent to the termination or expiration of this Agreement. The money you owe us will also include the Liquidated Damages and all other costs and expenses, including, without limitation, reasonable attorneys' fees, costs, and expenses incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement. You grant to us a security interest (which will be subordinate to any purchase money security interest) in any equipment, inventory, supplies, furniture and fixtures and goods used or related to your Wow Wow Lemonade Stand, to the extent that we have not received all funds due and owing from you. This Agreement will constitute a security agreement granting to us a security interest in the above mentioned collateral, and you must execute any and all financing statements required by us to perfect our security interest in the collateral.

17.5. Return of Brand Operations Manual and Other Confidential Information. You shall immediately deliver to us the Brand Operations Manual and all Confidential Information, Intellectual Property, records, files, computer programs, software, Customer Information, records, files, instructions, correspondence, and any and all other materials relating to the operation of your Wow Wow Lemonade Stand that were provided to you, or held by a third party on your behalf, and all copies thereof (all of which are acknowledged to be our property). You will retain no copy or record of any of the foregoing, with the exception only of your copy of this Agreement, correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

17.6. Our Right to Purchase Fixtures, and Tangible Assets. We shall have the option to purchase your interest (if any) in any or all of your Wow Wow Lemonade Stand's leasehold improvements, furniture, fixtures, equipment, 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 our choosing, and we may set off against the purchase price any amounts that you owe to us. We shall exercise our option by written notice to you delivered before or within thirty (30) days after the date of expiration or termination of this Agreement.

17.7. Termination Without Prejudice. The expiration or termination of this Agreement will not relieve you of any of your obligations to us existing at the time of expiration or termination, nor will it terminate your obligations which, by their nature, survive the expiration or termination of this Agreement. The expiration or termination of this Agreement will be without prejudice to our against you; and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

17.8. Liquidated Damages. If an early termination of this Agreement occurs (which will mean any termination of the Agreement before the end of the Term, other than due to a mutual termination or your termination under Section 16.5), you will, within fifteen (15) days of such early termination, pay to us liquidated damages ("**Liquidated Damages**"). You agree that the Liquidated Damages are not a penalty, and that it would be impracticable or extremely difficult for us to calculate the actual amount you would have been obligated to pay us as Royalty Fees and Brand Fund Fees through the end of the Term. As a result, the parties agree that the following method of calculation represents a fair and reasonable estimate of our damages. Liquidated Damages will be equal to the combined monthly average of Royalty Fees and Brand Fund Fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you begin operating your Wow Wow Lemonade Stand through the date of early termination, multiplied by the lesser of: (i) twenty-four (24), or (ii) the number of full months remaining in the Term.

17.9. Use of Customer Information and Other Information. We have the right, during and after the Term, to access and use: (i) all information you provide to us contained in your sales and transaction reports, through the POS System, and in such other operational reports that we request from you; (ii) Customer Information; and (iii) the contact information of you or your Owners. We may use this information for business purposes that may include, without limitation, public relations, advertising, statistical compilations, investigations and resolutions of client complaints, and quality surveys. We have the right, after termination, to continue to use the information referred to in this Section 17.9. After termination or expiration of the Agreement, we will have the exclusive right to use Customer Information, and to make the Customer Information available to other Wow Wow Lemonade Stands for such purposes as we deem appropriate.

17.10. Comply with Covenants. You must comply with each and every one of your covenants and obligations that apply after the termination, expiration, or Transfer of this Agreement as stated in Article 12.

18. GOVERNING LAW; DISPUTE RESOLUTION

18.1. Governing Law. This Agreement is governed by and will be interpreted in accordance with the laws of the State of Nevada, without reference to conflict of laws provisions. By agreeing to the application of Nevada law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Nevada to which this Agreement or the parties' relationship would not otherwise be subject. The parties each acknowledge and agree that this choice of applicable state law provides each of the parties with the mutual benefit of uniform interpretation of this Agreement. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations.

18.2. Mandatory Mediation. Except as provided in Section 18.3, if any dispute cannot be settled through direct discussions, the parties agree to submit the dispute to mediation before resorting to arbitration. Mediation will be administered by the AAA under its then-current Commercial Mediation Procedures ("**Mediation Procedures**") and before a mediator selected under them. Mediation will not defer or suspend our exercise of any termination right under Article 16. All aspects of the mediation process will be treated as confidential, may not be disclosed to others, and must not be offered or admissible in any other proceeding or legal action whatsoever.

18.2.1. Deadline for Mediation. The party requesting mediation must provide written notice of the request for mediation to the other party in the manner prescribed in the Mediation Procedures. The request must specify with reasonable particularity the matters for which mediation is sought. Mediation must be concluded within thirty (30) days of the issuance of the written request for mediation, or such longer period as the parties may agree upon in writing.

18.2.2. Location. The mediation must be held in Las Vegas, Nevada.

18.2.3. Cost of Mediation and Consequences of Failure to Comply. The parties will equally share the cost of the mediation, including administrative costs and mediator fees. Should a party refuse to pay its share of the costs and fees in advance of mediation, that party will be in default of this agreement, and the Dispute may proceed directly to arbitration without mediation. Any costs or fees, including attorney fees, incurred by the non-defaulting party in pursuing mediation may be sought as damages in arbitration.

18.3. Injunctive Relief. You acknowledge that a breach of this Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) the obligations of you upon termination or expiration of this Agreement; (v) Transfers; (vi) Confidential Information; (vii) covenants not to compete with us; and (viii) any act or omission by you or your employees that: (a) constitutes a violation of any Legal Requirement; (b) is dishonest or misleading to customers of your Wow Wow Lemonade Stand or other Wow Wow Lemonade Stands; (c) constitutes a danger to your employees or to the public; or (d) may impair the goodwill associated with the Marks or the System. The parties agree that such requests may be heard by the arbitrators or by a court, at the election of the party seeking the same. Neither party will be required to first mediate any claim for injunctive relief. To the extent that both you and we seek emergency relief, you and we agree that the venue chosen by the first party to file will be the proper venue to hear and decide all such requests for emergency relief. Should a party elect to have its request heard by arbitrators, all such requests shall be heard in accordance with the then-current Commercial Rules. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay to us an amount equal to the aggregate of our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, that we incur in obtaining such relief..

18.4. Waiver of Class or Group Action. ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

Your Initials:____________

18.5. Attorneys' Fees; Collection Costs. 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. If we are required to engage a collection agency or use legal counsel in connection with any failure by you to pay when due amounts due to us, or to submit when due any reports, information, or supporting records, or in connection with any failure by you to otherwise comply with this Agreement, you shall reimburse us for all costs and expenses of enforcement and collection.

18.6. WAIVER OF PUNITIVE DAMAGES. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), AND AGREE THAT IN THE EVENT OF A DISPUTE

BETWEEN THEM, EACH SHALL BE LIMITED TO THE RECOVERY OF ANY: (A) ACTUAL DAMAGES SUSTAINED BY IT; (B) DAMAGES SPECIFICALLY IDENTIFIED IN THIS AGREEMENT; AND (C) TRADEMARK LAW TREBLE DAMAGES.

Your Initials:____________

18.7. JURY TRIAL WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OR OUR AFFILIATES OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES OBTAINED FROM US OR OUR AFFILIATES.

Your Initials:____________

18.8. Choice of Forum. **Subject to, and without affecting any other provisions of this Agreement, any cause of action, Claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in a court of competent jurisdiction in Clark County, Nevada. Both parties irrevocably submit themselves to, and consent to, the exclusive jurisdiction of said courts.** The provisions of this Section 18.8 will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section 18.8, and with complete understanding, agree to be bound by this provision.

18.9. Claims Limitation Period. Unless prohibited by Legal Requirements, any legal action or proceeding (including mediation or arbitration) brought or instituted by you with respect to any Dispute must be brought or instituted within a period of one (1) year from the date you discover the conduct or event that is the basis of the legal action or proceeding, except that the one (1) year period will be tolled only during the pendency of any mediation required by Section 18.2. Any such claim which is not submitted or filed as described above shall be forever barred.

19. **GENERAL PROVISIONS**.

19.1. Severability. All provisions of this Agreement are severable. If pursuant to the decision of any court having jurisdiction, any provisions, in whole or in part are not enforceable, the remainder of this Agreement will continue to be in full force and effect, and the affected provisions are superseded and modified by such applicable law.

19.2. Approvals. Whenever this Agreement requires our prior approval or consent before you take any action, you will make a timely written request to us, and such approval or consent must be obtained in writing. We will not unreasonably withhold or unreasonably delay our response. By providing any waiver, approval, consent, or suggestion to you or in connection with any consent, or by reason of any neglect, delay, or denial of any request, we make no warranties or guarantees upon which you may rely, and we assume no liability or obligation to you.

19.3. No Modifications; 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 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 stated above. Our waiver of your breach of any provision of this Agreement applies only to that one breach and that one provision, and not to any subsequent breach of any provision. Acceptance by us of any payments due under this Agreement will not be deemed to be a waiver by us of any preceding breach by you of any provision.

19.4. Force Majeure. Except for monetary obligations hereunder, or as otherwise specifically provided in this Agreement, if either party to this Agreement is delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of Force Majeure, then performance of such act is excused for the period of the delay, but in no event to exceed ninety (90) days from the stated time periods as set forth in this Agreement. If your Wow Wow Lemonade Stand is damaged or destroyed due to a Force Majeure event, you must initiate within thirty (30) days (and continue until completion) all repairs or reconstruction to restore your Wow Wow Lemonade Stand to its original condition. If, in our reasonable judgment, the damage or destruction is of such a nature that it is feasible, without incurring substantial additional costs, to repair or reconstruct your Wow Wow Lemonade Stand in accordance with the then-standard layout and décor specifications for Wow Wow Lemonade Stands, we may require you to repair or reconstruct your Wow Wow Lemonade Stand in accordance with those specifications.

19.5. Rights are Cumulative. The parties' rights under this Agreement are cumulative, and no exercise or enforcement by us or you of any right or remedy will preclude one of the parties' exercise or enforcement of any other right or remedy which one of the parties is entitled by law to enforce, except as specifically limited by this Agreement.

19.6. Definitions and Captions. Unless otherwise defined in this body of this Agreement, capitalized terms shall have the meaning ascribed to them in the **Appendix** or as defined in this Agreement. 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. Wherever the word "including" is used, it means "including but not limited to."

19.7. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns.

19.8. 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 that are not defined 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.

19.9. Notices. Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand; one (1) Business Day after transmission by overnight delivery service; and one (1) Business Day after transmission by facsimile or other electronic system expressly approved in the Brand Operations Manual as appropriate for delivery of notices hereunder (with confirmation copy sent by regular U.S. mail), or three (3) Business Days after placement in the United States Mail by Certified Mail, Return Receipt Requested, postage prepaid. Information for notices is as follows, and you will immediately notify us of any changes to the information hereunder:

If to us:	If to you:
Wow Wow Hawaiian Lemonade Franchising, LLC 14301 N. 87th Street, Suite 209 Scottsdale, Arizona 85260	The address set forth in **Addendum 1**

19.10. Execution/Counterparts. Two copies of this Agreement may be signed, each of which, when signed, is an original, and which, together, constitute one and the same instrument. This Agreement may be executed in two or more counterparts, each of which constitutes an original, and all of which, when taken together, constitutes one Agreement.

19.11. Survival. All provisions, including the understandings, representations and warranties, which, as a matter of logic or otherwise, need to continue in force and effect subsequent to and notwithstanding the expiration or termination of this Agreement in order to achieve an intended result, will continue in full force and effect despite the absence of such specific language with respect to each of them.

19.12. Third Party Beneficiaries. This Agreement is not for the benefit of any third parties and is only for the benefit of us, you, and to the extent applicable, our Affiliates.

19.13. Entire Agreement. This Agreement and any other agreements executed by the parties concurrently with the parties' execution of this Agreement represent the entire fully integrated agreement between the parties and supersede all other negotiations, agreements, representations, and covenants, oral or written. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this franchise offering. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to in writing by the parties and executed by their authorized officers or agents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date our Manager or authorized signatory signs the Agreement in its signature block below (the "**Effective Date**").

Wow Wow Hawaiian Lemonade Franchising, LLC	You: _____
By: _______	By: _______
Print Name: _______________________________	Print Name: ________________________________
Its: _______	Its: _______
Date: _____	Date: _____

APPENDIX

GLOSSARY OF TERMS

AAA: Defined in Section 18.2.

Affiliate: A Person or Business Entity which is united, attached, connected, or allied with, or is controlling or under common control with a party, including but not limited to parent, subsidiary or affiliated companies.

Agreement: This Franchise Agreement.

Anti-Terrorism Laws: Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the 15.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the 15.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the 15.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

Approved Location: Defined in Section 2.1.

Approved Supplies: Defined in Section 9.2.

Approved Suppliers: The various companies with which we and / or our Affiliates have authorized to sell products or services to you (including Authorized Products or Services), or are contracted to do business with us and / or our Affiliates, and which may provide products to you through us and / or our Affiliates. We or our Affiliate(s) may also be an Approved Supplier.

Authorized Menu: Defined in Section 9.1.1.

Authorized Products: The specific products and menu items that are specified by us from time to time in the Brand Operations Manual, or as otherwise directed by us in writing, for sale at your Wow Wow Lemonade Stand, prepared, sold and/or manufactured in strict accordance with our standards and specifications, as part of the Authorized Menu or otherwise.

Authorized Services: The specific services that are specified by us from time to time in the Brand Operations Manual, or as otherwise directed by us in writing, for sale at your Wow Wow Lemonade Stand, rendered or provided in strict accordance with our standards and specifications.

Brand Fund: The advertising fund that we will establish with the contributions that we receive from Wow Wow Lemonade Stands in accordance with Articles 6 and 8.

Brand Fund Fee: Defined in Section 6.3.

Brand Operations Manual: The primary source of information regarding the System and the construction and operation of a Wow Wow Lemonade Stand, which include our operations and training manuals, and any other written directive related to the System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by us as in effect and amended from time to time.

Business Days: Days on which financial markets in the United States are open for trading.

Business Entity: A corporation, a general or limited partnership or a limited liability company.

Capital Modifications: Defined in Section 9.11.1.

Claim: Any legal or other claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, including any and all taxes, of any kind or nature.

Competitive Business: Any business that: (i) is similar to Wow Wow Lemonade Stands: (ii) has similar decor or similar menu items to a Wow Wow Lemonade Stands; or (iii) sells any products that are similar to or the same as those sold at Wow Wow Lemonade Stands (including handcrafted lemonades, acai bowls, and raw superfood smoothies) as a combined total of 20% or more of all menu sales.

Confidential Information: Our confidential and/or proprietary information including without limitation: sales and marketing methods and data; information regarding the System; operating and other business data; computer programs; trade secrets; the Intellectual Property; business plans; advertising and promotional methods; financial information; product information; information regarding current or prospective customers, other franchisees, Approved Suppliers/Suppliers, and other related information; Customer Information; and the Brand Operations Manual. Confidential Information does not include information which: (a) at or prior to the time of receipt was in the public domain; or (b) at or prior to the time of receipt by you or the signing of this Agreement, whichever occurred first, was known to you and in actual commercial use by you or generally within the industry, in the manner and combination disclosed.

Credit Card Vendors: Defined in Section 9.18.

Customer Information: Defined in Section 13.14.

Cooperatives: Defined in Section 8.7.

Delayed Opening Fees: Defined in Section 3.8.

Default Fee: Defined in Section 16.8.

Dispute: Any and all disagreements, controversies, or claims of any sort between you and us or our Affiliates arising out of, or in any way relating to, this Agreement, any of the parties' respective rights and obligations arising out of this Agreement, or the making, performance, breach, interpretation, or termination of this Agreement, including any claims based in tort.

Effective Date: The date we sign the Agreement, as indicated in the signature block.

EFT: Defined in Section 6.6.

Force Majeure: This includes war, riot, strikes, materials shortages, fires, floods, earthquakes, and other acts of God, or governmental action or force of law, but excluding a shortage of funds, which results in the inability of us or you to operate your Wow Wow Lemonade Stand or otherwise perform an obligation under this Agreement, and which the party responsible for performance could not by the exercise of due diligence have avoided.

Gross Sales: All consideration, whether by cash, credit, in kind, checks, gift certificates, scrip, coupons, services, property or other means of exchange, or otherwise, derived directly or indirectly from the operation of your Wow Wow Lemonade Stand. Gross Sales includes, but is not limited to, the amounts received from the sale of all products and performance of services of every kind and nature, promotional or otherwise, from, at, upon, or through your Wow Wow Lemonade Stand or by reason of this Agreement, including the credit value given for all merchandise trades, the full retail value of any gift certificate or coupon sold for use at your Wow Wow Lemonade Stand (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from Gross Sales), and insurance proceeds and/or condemnation awards for loss of sales, profits or business; provided, however, that "Gross Sales" does not include:

(i) the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any such tax is shown separately and, in fact, paid by you to the appropriate governmental authority;

(ii) all customer refunds, valid discounts and coupons, and credits made by your Wow Wow Lemonade Stand (exclusions will not include any reductions for credit card user fees, returned checks or reserves for bad credit or doubtful accounts); or

(iii) tips from customers given to your employees.

Gross Sales will be deemed received by you at the time the products or services from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by you. Gross Sales consisting of property, products or services shall be valued at the retail prices applicable and in effect at the time that they are received. Any amounts deposited in your Wow Wow Lemonade Stand's bank accounts are deemed Gross Sales unless proven otherwise.

Improvements: Defined in Section 9.14.

Indemnified Parties: Defined in Section 15.1.

Initial Training Program: Defined in Section 10.1.

Intellectual Property: Inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as proprietary ingredients, sauces and mixes, secret formulas and recipes, methods, procedures, patents, copyrights, trademarks, service marks and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matters, and records of research.

Interim Period: Defined in Section 5.3.

Legal Requirements: Any law, code, ordinance, order, rule or regulation (including Anti-Terrorism Laws), of any governmental entity, and any political or other subdivision of any governmental entity, and any agency, department, commission, board, bureau, court or instrumentality of any of them, which, at any time, has competent jurisdiction over you, us, or any part of your Wow Wow Lemonade Stand.

Manager: An individual, acceptable to and approve by us, responsible for overseeing the operation of your Wow Wow Lemonade Stand.

Marks: Certain trade names, service marks, trademarks, logos, emblems, Trade Dress and other indicia of origin, including but not limited to the mark "WOW WOW HAWAIIAN LEMONADES" and such other trade names, service marks, trademarks, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress (including designs and specifications and the motif, decor, and color combinations for a Wow Wow Lemonade Stand), and all other visual identification, as are now designated, and may hereafter be designated by us, for use in connection with the System.

Owner: Any Person who owns any stock, units, membership, partnership or other ownership interest in you, directly or indirectly. You represent that every Owner, and the percentage of interest held in you by every Owner, is accurately listed on the Summary Information Concerning Franchisee and the Franchise, attached as **Addendum 1**.

Payment Date: The day on which you must pay us our applicable fees for the previous Reporting Period, which day we may designate from time to time. As of the Effective Date, the Payment Date for Royalty Fee is the tenth (10) day of each month. If the Payment Date falls on a weekend or holiday, then it will be the next business day after that day. You must comply with a new Payment Date within thirty (30) days after receiving written notice that the Payment Date has changed.

Person: Any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, limited liability partnership, commercial or non-commercial institution or entity, or any other entity.

POS System: An electronic point of sale system consisting of computer hardware (including computer components); computer software for the management and operation of your Wow Wow Lemonade Stand and reporting and sharing information with us; and communication systems (including digital and analog modems, satellite, cable and other systems).

Protected Area: The buffer around the Approved Location described in Section 4.1 and as set forth in **Addendum 1**.

Reporting Period: A calendar month, or such other period as we may designate from time to time in writing.

Royalty Fee: A monthly fee paid by you to us at the times designated by us in the Brand Operations Manual, in accordance with Article 6.

Successor Franchise Agreement: Defined in Section 5.2.2.

Supplements: Defined in Section 9.10.

System: A uniform system for the establishment and operation of a Wow Wow Lemonade Stand, including uniform standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; Trade Dress; the Marks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training, trade secrets; methods of preparing, serving, merchandising, and selling a limited menu of artisanal lemonades, acai smoothie bowls, raw kombucha, and cold brew coffee on tap, prepared in accordance with our methods; and other related benefits for use by you relating to the operation and promotion of a Wow Wow Lemonade Stand, all of which may be changed, improved, and further developed by us from time to time.

Technology Fee: Defined in Section 6.5.

Term: Defined in Section 5.1.

Trade Dress: The decorative, non-functional components of a Wow Wow Lemonade Stand that provide the establishment of a distinctive, memorable appearance.

Transfer: Defined in Section 11.2.

Wow Wow Lemonade Stand: A gourmet lemonade stand operated under the Marks and System by you, by us, by our Affiliates (or by a third party under a franchise or license agreement with us, the terms of which may vary materially from those in this Agreement).

ADDENDUM 1

INFORMATION CONCERNING FRANCHISEE AND THE FRANCHISED BUSINESS

A. IDENTITY AND STRUCTURE OF FRANCHISEE

Franchisee's Name: ______________________________

Entity type and jurisdiction of formation: ______________________________

Date of entity formation: ______________________________

Provide name and address of each person who owns a percentage of the legal entity, and show what percentage of stock, partnership interest, or membership interest is owned by each.

____

____

Address for Notices: ______________________________

____

Attention: ______________________________

Email Address: ______________________________

Manager's Name (Section 9.7): ______________________________

B. GENERAL DESCRIPTION OF YOUR PROTECTED AREA (Section 4.1) The Approved Location for your Wow Wow Lemonade Stand has NOT yet been identified. We and you agree that the general description of the location for your Wow Wow Lemonade Stand will be as listed below, but you understand and agree that you will *not* receive any exclusive rights in the area identified below. Your exclusive rights will only attach once you and we have agreed on the Approved Location and entered it in Item C of this Addendum, which you and we will do only after you receive our approval of the Approved Location.

____

____

____

C. YOUR APPROVED LOCATION AND PROTECTED AREA (Section 2.1) We and you have mutually agreed upon a Protected Area based on the site for your Wow Wow Lemonade Stand which is indicated below. You acknowledge that the Protected Area is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

(1) Approved Location for your Wow Wow Lemonade Stand: The Approved Location for your Wow Wow Lemonade Stand, as provided in Section 2.1 of the Agreement, is:

____

____

____

(b) Protected Area: The Protected Area, as provided in Section 4.1 of the Agreement, is:

____

____

____

By signing below, you acknowledge that the information above is true and correct. Use additional sheets if necessary. Any and all changes to the above information must be reported to Wow Wow in writing.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC.	FRANCHISEE
By: ____________________	By: ____________________
Print Name: ________________	Print Name: ________________
Its: ____________________	Its: ____________________
Date: ___________________	Date: ___________________

ADDENDUM 2

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, ___________________________ a ___________________ (“**Assignor**”), hereby assigns, transfers and sets over unto Wow Wow Hawaiian Lemonade Franchising, LLC, a Nevada limited liability company (“**Assignee**”) all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit 1 (the "**Lease**"), respecting the premises commonly known as ____________________________________. This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby. Upon a default by Assignor under the Lease or a default or expiration under the Franchise Agreement by and between Assignor and Assignee for a Wow Wow Lemonade Stand (the “**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or under any other agreement between Assignor and Assignee or its Affiliates, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

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

Assignee: Wow Wow Hawaiian Lemonade Franchising, LLC	Assignor: __
By: _______	By: _______
Print Name: ______________________________	Print Name: _______________________________
Its: _______	Its: _______
Date: _____	Date: _____

ADDENDUM 3
FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this "**Agreement**") is entered into by: (i) each of the undersigned Owners of Franchisee (defined below); and (ii) the spouse of each such Owner, in favor of Wow Wow Hawaiian Lemonade Franchising, LLC, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement. Each signatory to this Agreement is referred to as "you."

1. **Acknowledgments.**

a. Franchise Agreement. Franchisee entered, or is entering, into a franchise agreement with us effective as of __________________________, 20__ ("**Franchise Agreement**"). Capitalized words not defined in this Agreement will have the same meanings given to them in the Franchise Agreement.

b. Owners' Role. Owners are the beneficial Owners of all of the equity interest in Franchisee. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Agreement.

c. Your Access to Our Confidential Information. In your capacity as an Owner of Franchisee, or the spouse of an Owner of Franchisee, you may gain knowledge of our System, Confidential Information, and Intellectual Property (collectively, the "**Know-how**"). You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with the terms of this Agreement in order to: (i) avoid damaging our System by engaging in unfair competition; and (ii) bind yourself to the terms of the Franchise Agreement applicable to Owners.

2. **System Protection Covenants**. In light of your above acknowledgements, you covenant and agree to the following:

a. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than operating the Wow Wow Lemonade Stand operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you or your spouse are no longer an Owner of Franchisee, as applicable. You further agree that you will not use the Know-how for any purpose other than the development and operation of Franchisee's Wow Wow Lemonade Stand under the terms of the Franchise Agreement and Brand Operations Manual. You agree to assign to us or our designee, without charge, all rights to any Improvements developed by Franchisee, including the right to grant sublicenses. If any Legal Requirement precludes you from assigning ownership of any Improvement to us, then you covenant, promise and agree that you will perpetually license that Improvement to us free of charge, with full rights to use, commercialize, and sublicense the Improvement.

b. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are an Owner of Franchisee, or while your spouse is an Owner of Franchisee, as applicable, by engaging in any of the following (collectively, the "**Prohibited Activities**"): (i) owning, operating or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our Affiliates or franchisees); and/or (iii) inducing any customer of ours (or of one of our Affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

c. Unfair Competition After Relationship. You agree that, for a period of three (3) years after the termination of the Franchise Agreement or any successor to it (the "**Restricted Period**") not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within thirty (30) miles of: (a) Franchisee's Protected Area; or (b) any other Wow Wow Lemonade Stand that is then open or in development (the "**Restricted Territory**"). If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity (any such extension of time will not be construed as a waiver of your breach or otherwise impair any of our rights or remedies relating to your breach).

d. Immediate Family Members. You acknowledge that your disclosing Know-how to an immediate family member (i.e., parent, sibling, child, or grandchild) could potentially circumvent the purpose of this Agreement. You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

e. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE. Although you and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic are, we may at any time unilaterally modify the terms of the system protection covenants in Section 2 of this Agreement upon written notice to Franchisee, by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under Section 2 of this Agreement to ensure that the terms and covenants are enforceable under applicable law.

f. Breach. You agree that failure to comply with the covenants in this Section 2 will cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you and we agree that the amount of the bond will not exceed $1,000. None of the remedies available to us under this Section are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

3. Transfer Restrictions. If you are an Owner of Franchisee, you acknowledge that we must approve all persons who hold a direct or indirect Ownership interest in Franchisee. Accordingly, you agree that you will not, directly or indirectly or by operation of law, sell, assign, mortgage, pledge or in any manner transfer any direct or indirect Ownership interest in Franchisee except in accordance with the terms and conditions set forth in Article 11 of the Franchise Agreement. You acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Agreement and the Franchise Agreement.

4. Personal Guarantee. In order to secure Franchisee's financial obligations under the Franchise Agreement and all ancillary agreements executed by Franchisee in connection with the Franchise Agreement, including, but not limited to, any agreement for the purchase of goods or services from us or an Affiliate of ours and any promissory note related to payments owed to us (collectively, the "**Secured Agreements**"), you agree to personally guarantee all of Franchisee's financial obligations under the Secured Agreements.

a. Payment. Each of Franchisee, jointly and severally, personally and unconditionally: (a) guarantee to us and our successor and assigns, that Franchisee will punctually fulfill all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements.

b. Waiver of Notice. You waive: (1) acceptance and notice of acceptance by us of the foregoing undertakings; (2) notice of demand for payment of any indebtedness guaranteed; (3) protest and notice of default to any party with respect to the indebtedness guaranteed; (4) any right you may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed.

c. Liability is Joint and Several. You agree that: (1) your direct and immediate liability under this guarantee will be joint and several with Franchisee and all other persons who sign this Agreement; (2) you will render any payment required under the Secured Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) your liability will not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; and (4) liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that we may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guarantee, which will be continuing and irrevocable during the term of each of the Secured Agreements and following the termination, expiration or transfer of each of the Secured Agreements to the extent any financial obligations under any such Secured Agreements survive such termination, expiration or transfer.

d. Bankruptcy Filing. This guarantee will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

e. Indemnification. You agree to indemnify, defend and hold harmless us, all of our Affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

f. No Exhaustion of Remedies. You acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

g. Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations that exist under this Agreement or the Franchise Agreemeent at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Dispute Resolution. Any dispute between the parties relating to this Agreement must be brought in accordance with the dispute resolution procedures stated in the Franchise Agreement. Notwithstanding the foregoing, if any of the dispute resolution procedures stated in the Franchise Agreement conflict with any of the terms of this Agreement, the terms of this Agreement will prevail. You acknowledge and agree that a breach of this Agreement by you will constitute a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.

6. Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce your obligations under this Agreement. You acknowledge and agree that there is no adequate remedy at law for your failure to fully comply with the requirements of this Agreement. You further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper.

7. Miscellaneous.

a. Attorney Fees. If either party hires an attorney or files suit against the other party in relating to an alleging a breach of this Agreement, the losing party agrees to pay the prevailing party's reasonable attorneys' fees and costs incurred in connection with such breach.

b. Defenses. Any claim, defense or cause of action that you may have against us, our Affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

c. Severability. Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it will not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

d. Notice. You agree that we may deliver to you any notice or other communication contemplated by this Agreement in the same manner and to the same address listed in the notice provisions of the Franchise Agreement and any such delivery will be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice must be delivered in the manner and to the address listed in the Franchise Agreement.

e. No Third-Party Beneficiaries. Nothing in this Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns and our Affiliates) any rights or remedies under or by reason of this Agreement.

f. Construction. No provision of this Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Agreement, or because of the nature or type of this Agreement. All references to gender and number will be construed to include such other gender and number as the context may require. All captions in this Agreement are intended solely for the convenience of the parties and none will be deemed to affect the meaning or construction of any provision of this Agreement.

g. Binding Effect. This Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

[Signature page follows]

IN WITNESS WHEREOF, each of **Owner** or **spouse of an Owner** has executed this Agreement as of the date or dates set forth below.

(Add additional pages and signature lines, if necessary for each Owner or spouse of an Owner)

By: ________________________ Address: __________________________

Name: ________________________ Telephone: ________________________

State of ______________)
) ss.
County of ____________)

This instrument was acknowledged before me on_____________________, ______ by ________________________
Notary Public ______________________
My Commission Expires:___________________

By: ________________________ Address: __________________________

Name: ________________________ Telephone: ________________________

State of ______________)
) ss.
County of ____________)

This instrument was acknowledged before me on ___________________, ______ by ________________________
Notary Public ______________________
My Commission Expires:___________________

ADDENDUM 4
Electronic Funds Transfer Authorization

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

BY AND BETWEEN WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC AND ____ ("DEPOSITOR")
EFT AUTHORIZATION AGREEMENT (DIRECT DEBITS)

The undersigned depositor ("Depositor") hereby authorizes Wow Wow Hawaiian Lemonade Franchising, LLC ("Company") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") to debit such account pursuant to Company's instructions.

___________________________________ ________________________________
Depository Branch

___________________________________ ________________________________
Address City, State, Zip Code

___________________________________ ________________________________
Bank Transit/ABA Number Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity on which to act. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

DEPOSITOR:

By: ____________________________

Print Name: ______________________

Its:______________________________

Date: ___________________________

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT C

Multi-Unit Franchise Agreement

MULTI-UNIT FRANCHISE AGREEMENT BETWEEN

Wow Wow Hawaiian Lemonade Franchising, LLC
14301 N. 87th Street, Suite 209
Scottsdale, Arizona 85260

AND

____
____
____
____

TABLE OF CONTENTS

Page

ADDENDA

MULTI-UNIT FRANCHISE AGREEMENT

THIS **MULTI-UNIT FRANCHISE AGREEMENT** (the "**Agreement**") is made and entered into this _____ day of ____________, ______ (the "**Effective Date**"), by and between **Wow Wow Hawaiian Lemonade Franchising, LLC,** a Nevada limited liability company ("**we,**" "**us,**" or "**our**") and ____________________, a ____________________ ("**you**" or "**your**"). Capitalized terms are used in this Agreement with the meanings assigned in the Glossary of Terms attached as the **Appendix**.

A. We own a uniform System for the establishment and operation of businesses under the Marks used in connection with the development of specialty lemonade stands under the name Wow Wow Hawaiian Lemonades® and other Marks (each a "**Wow Wow Lemonade Stand**" and more than one, the "**Wow Wow Lemonade Stands**").

B. We desire to expand and develop the Wow Wow brand in the Multi-Unit Territory, and you wish to open and operate Wow Wow Lemonade Stands in the Multi-Unit Territory, upon the terms and conditions as set forth in this Agreement.

The parties therefore agree as follows:

ARTICLE 1.
GRANT OF MULTI-UNIT FRANCHISE RIGHT

1.1 Grant of Multi-Unit Franchise Right

(a) Upon the terms and subject to the conditions of this Agreement, we hereby grant to you, and you hereby accept, the right and obligation, during the Term, to open Wow Wow Lemonade Stands solely at Venues within the Multi-Unit Territory. Each Wow Wow Lemonade Stand shall be operated according to the terms of an individual Franchise Agreement. An increase or decrease in the size of the cities, counties or political subdivisions, if any, included within the Multi-Unit Territory will have no effect on the Multi-Unit Territory as it is described in **Addendum 1**.

(b) No right or license is granted to you hereunder to use any Marks, trade dress or designs owned by us or our Affiliate, such right and license being granted solely pursuant to Franchise Agreements. Nothing in this Agreement will permit you to own or operate a Wow Wow Lemonade Stand, except pursuant to a valid Franchise Agreement. You shall not use the Marks in any manner or for any purpose, including in connection with any offering of securities or any request for credit, without our prior express written approval.

1.2 Exclusivity

(a) During the Term of this Agreement, us and our Affiliates will not operate or grant a license or franchise to any other person to operate Wow Wow Lemonade Stands at any Venue within the Multi-Unit Territory.

(b) Except as provided in **Section 1.1(a)**, we expressly reserve all other rights, including but not limited to the exclusive, unrestricted right, in its discretion, directly and indirectly, through its employees, Affiliates, representatives, licensees, assigns, agents and others:

(i) To use, and to license other persons to use, the Marks and System for the operation of Wow Wow Lemonade Stands at any location other than in the Multi-Unit Territory, regardless of proximity to the Multi-Unit Territory, and regardless of whether such other businesses draw customers from the Multi-Unit Territory;

(ii) To use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or otherwise, at any location including a location or locations inside of the Multi-Unit Territory, in association with operations that are different from Wow Wow Lemonade Stands;

(iii) To offer Authorized Products, or grant others the right to offer the Authorized Products, whether using the Marks or other trademarks or service marks, through channels of distribution that are different from Wow Wow Lemonade Stands, including, without limitation, wholesalers, grocery stores, or by Internet commerce (e-commerce), mail order or otherwise, regardless of whether it is inside or outside of the Multi-Unit Territory;

(iv) To maintain any websites utilizing a domain name incorporating the Marks or derivatives. We retain the sole right to advertise and market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, and co-branding and other arrangements; and

(v) To acquire, merge, or combine with businesses that are the same as or similar to Wow Wow Lemonade Stands and operate such businesses regardless of where such businesses are located, including inside the Multi-Unit Territory, and to be acquired by any third party which operates businesses that are the same as, or similar to, Wow Wow Lemonade Stands, regardless of where such businesses are located, including inside the Multi-Unit Territory. Notwithstanding the foregoing, we will not re-brand any such businesses that are located inside the Multi-Unit Territory by allowing them to use the Marks.

ARTICLE 2.
FRANCHISEE'S DEVELOPMENT OBLIGATION

2.1 Development Obligation

Within each Development Period specified in **Addendum 2**, you must construct, equip, open and thereafter continue to operate at, and only at, locations within the Multi-Unit Territory, not less than the cumulative number of Wow Wow Lemonade Stands required by the Development Obligation for that Development Period. Wow Wow Lemonade Stands developed at a Non-Traditional Location will not count towards your Development Obligation. A "**Non-Traditional Location**" is a transportation facility, sporting facility, travel plaza, institutional feeding facility, government institution or facility, shopping mall, educational facility, casino, amusement park, or military facility.

2.2 Timing of Execution of Leases and Franchise Agreements

On or before the date which is ninety (90) days before the end of each Development Period, you must have executed (in accordance with this Agreement) a Franchise Agreement for each Wow Wow Lemonade Stand which is required to be constructed, equipped, opened and thereafter operated by the end of such Development Period. If we are unable to deliver a current FDD to you, the Development Period will be extended by an amount of time equal to the period during which our inability to deliver a current FDD existed during that Development Period. Otherwise, Development Periods will not be extended except by written agreement.

2.3 You May Not Exceed The Development Obligation

Unless we shall otherwise consent in writing, you may not construct, equip, open and operate more than the total number of Wow Wow Lemonade Stands comprising the Development Obligation.

ARTICLE 3.
MULTI-UNIT TERRITORY

3.1 Our Right to Develop

Notwithstanding **Section 2.1** of this Agreement, if during the Term of this Agreement, you are unable or unwilling, or fail for any reason (except as provided in **Section 2.2**), to satisfy the Development Obligation, this Agreement shall automatically terminate upon notice by us to you. Upon such termination, we may, but are not obligated to, open and operate, or license others to (or grant others development rights to) open and operate, Wow Wow Lemonade Stands at any site(s) within the Multi-Unit Territory, excluding locations in the Territory granted to you pursuant to the individual Franchise Agreement for each then-existing Wow Wow Lemonade Stand located in the Multi-Unit Territory.

3.2 Protected Area for Each Individual Wow Wow Lemonade Stand

Each Franchise Agreement executed pursuant to this Agreement will provide that us and our Affiliates may not open or operate, or franchise or license the operation of, any Wow Wow Lemonade Stand at any Venue located within the individual Protected Area surrounding Wow Wow Lemonade Stand opened by you pursuant to such Franchise Agreement.

ARTICLE 4.
TERM OF MULTI-UNIT FRANCHISE AGREEMENT

4.1 Term

The term of this Agreement commences on the Effective Date and will continue until the earlier of the following: (a) the tenth (10^{th}) anniversary of the Effective Date; or (b) the date of execution of the Franchise Agreement granting you the right to open the last Wow Wow Lemonade Stand necessary for you to fully satisfy the Development Obligation (the "**Term**").

4.2 Effect of Expiration

Following the expiration of the Term, or the sooner termination of this Agreement: (a) you will have no further right to construct, equip, own, open or operate additional Wow Wow Lemonade Stands which are not, at the time of such termination or expiration, the subject of a then-existing Franchise Agreement between you and us which is then in full force and effect; and (b) we or our Affiliates may thereafter construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Wow Wow Lemonade Stands at any location(s) (within or outside of the Multi-Unit Territory), without any restriction, subject only to any Protected Area rights granted for any then-existing Wow Wow Lemonade Stand pursuant to a validly subsisting Franchise Agreement executed for such Wow Wow Lemonade Stand.

ARTICLE 5.
PAYMENTS BY YOU

5.1 Initial Franchise Fees

The initial franchise fee for your Wow Wow Lemonade Stands that you will develop pursuant to the Development Obligation will be payable upon execution of this Multi-Unit Franchise Agreement as follows: (i) Sixty Thousand Dollars ($60,000) for two Wow Wow Lemonade Stands (being comprised of Thirty-Five Thousand Dollars ($35,000) for the first Wow Wow Lemonade Stand and Twenty-Five Thousand Dollars ($25,000) for the second Wow Wow Lemonade Stand); and (ii) for each additional Wow Wow Lemonade Stand (up to the maximum of five), an additional Twenty Thousand Dollars ($20,000) (collectively, the "**Initial Franchise Fee**").

5.2 Royalty Fee

The Franchise Agreement executed for each Wow Wow Lemonade Stand developed pursuant to this Agreement will provide that the Royalty Fee will not be greater than six percent of Gross Sales (as those terms are defined in the Franchise Agreement).

ARTICLE 6.
ADDITIONAL COVENANTS

We will provide initial training for up to two (2) people for you. If you are a Business Entity, we may require the trainees to include your Operating Principal, Owners, officers or representative selected by you and acceptable to, and approved by us. We shall pay no compensation for any services performed by you or your trainees in connection with the initial training course. The initial training course is more fully described in the Franchise Agreement. Other than the initial training course, there shall be no additional training required for, or offered to, you under this Agreement. You shall pay all lodging, travel and meals, personal expenses, salary and living expenses incurred by you, your Operating Principal, Owners, officers or representative and/or other persons attending the training with you.

ARTICLE 7.
EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS

7.1 Delivery of Franchise Disclosure Document, Execution of Lease and Franchise Agreement

(a) Subject to **Section 7.2** of this Agreement, at your request we will deliver to you a copy of our then-current Franchise Disclosure Document (the "**Franchise Disclosure Document**" or "**FDD**") as may be required by Applicable Law and two (2) copies of our then-current Franchise Agreement. Immediately upon receipt of the FDD, you must return to us a signed copy of the Acknowledgment of Receipt of the FDD. You understand that the new Franchise Agreement may vary substantially from the current Franchise Agreement. If we are not legally able to deliver a required FDD to you, we may delay delivery of a Franchise Agreement, until such time as we are legally able to deliver an FDD.

(b) If you have executed and returned the copies of our Franchise Agreement, paid the Initial Franchise Fee and have satisfied the conditions of **Section 7.2,** we will execute the copies and return one (1) fully executed copy to you.

(c) You may not execute any lease or purchase agreement for any Wow Wow Lemonade Stand until after we have delivered to you a fully-executed Franchise Agreement. After our delivery to you of the fully-executed Franchise Agreement, your obligations to locate, lease, and construct the Wow Wow Lemonade Stand will be governed by the timelines stated in that Franchise Agreement, except that the deadline for opening and commencing operation of the Wow Wow Lemonade Stand will be the last day of the applicable Development Period.

7.2 Conditions Precedent to our Obligations

Your right to open and operate each and every Wow Wow Lemonade Stand is conditioned upon your having satisfied all of the following conditions precedent:

(a) You must have fully performed all of your obligations under this Agreement and all Franchise Agreements and other written agreements between us and you, and must not be in default of any of your obligations to us or any of our Affiliates, to any of your landlords, or to any federal, state, county or municipal agency.

(b) The cumulative number of Wow Wow Lemonade Stands in the Multi-Unit Territory required by the Development Obligation stated in **Addendum 2** must continue to be in operation as of the end of the immediately preceding Development Period.

ARTICLE 8.
ASSIGNMENT AND SUBFRANCHISING

8.1 Assignment by Us

We may transfer or assign all or any part of our rights or obligations under this Agreement to any person or legal entity without limitation.

8.2 No Subfranchising by You

You shall not offer, sell, or negotiate the sale of "Wow Wow" franchises to any third party, either in your own name or in the name and/or on behalf of us, or otherwise subfranchise, subcontract, sublicense, share, divide or partition this Agreement.

8.3 Assignment by You

(a) This Agreement has been entered into by us in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence that we have in you. Therefore, subject to our right of first refusal pursuant to **Section 8.3(c)** of this Agreement, neither your interest in this Agreement nor any of your rights or privileges hereunder shall be assigned or transferred, voluntarily or involuntarily, in whole or in part, by operation of Applicable Law or otherwise ("**Assignment**"), in any manner without our prior written consent, which consent may be withheld for any reason whatsoever.

(b) You shall not, directly or indirectly, pledge, encumber, hypothecate or otherwise grant any third party a security interest in this Agreement in any manner whatsoever without our prior express written consent. To the extent that the foregoing prohibition may be ineffective under Applicable Law, you shall provide not less than ten (10) days prior written notice to us (which notice shall contain the name and address of the secured party and the terms of such pledge, encumbrance, hypothecation or security interest) of any pledge, encumbrance, hypothecation or security interest in this Agreement.

(c) Your written request for consent to any Assignment must be accompanied by an offer to us of a right of first refusal to purchase the interest which is proposed to be transferred, on the same terms and conditions offered by the third party; provided that we may substitute cash for any non-cash consideration proposed to be given by such third party (in an amount determined by us reasonably and in good faith as the approximate equivalent value of said non-cash consideration); and provided further that you shall make representations and warranties to us customary for transactions of the type proposed (the "**Purchase Option**"). If we elect to exercise the Purchase Option, we or our designee, as applicable, shall send written notice of such election to you within thirty (30) days of our receipt of your request. If we accept such offer, the closing of the transaction shall occur within one hundred twenty (120) days following the date of our acceptance. Any material change in the terms of an offer prior to closing or the failure to close the transaction within one hundred twenty (120) days following the written notice provided by you shall cause it to be deemed a new offer, subject to the same right of first refusal by us, or its third-party designee, as in the case of the initial offer. Our failure to exercise such option shall not constitute consent to the transfer or a waiver of any other provision of this Agreement, including any of the requirements of this Article with respect to the proposed transfer.

(d) If you are a Business Entity, each of the following shall be deemed to be an Assignment of this Agreement: (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of twenty percent (20%) or more in the aggregate, whether in one (1) or more transactions, of your Equity or voting power, by operation of law or otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of your Business Entity; (ii) your issuance of any securities which itself or in combination with any other transaction(s) results in the Owners, as constituted on the Effective Date, owning eighty percent (80%) or less of the outstanding Equity or voting power of the Business Entity; (iii) if you are a Partnership, the withdrawal, resignation, removal, death or legal incapacity of a general partner or of any limited partner owning twenty percent (20%) or more of the Partnership Rights of the Partnership, or the admission of any additional general partner, or the transfer by any general partner of any of its Partnership Rights in the Partnership, or any change in the ownership or control of any general partner; (iv) the death or legal incapacity of any Owner owning twenty percent (20%) or more of the Equity or voting power of the Business Entity; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of the Business Entity, however effected.

ARTICLE 9.
NON-COMPETITION; CONFIDENTIALITY

9.1 Non-Competition

(a) During the Term, no Restricted Person shall in any capacity, either directly or indirectly: (i) engage in any other Competitive Activity, at any location, whether within or outside the Multi-Unit Territory; or (ii) divert or attempt to divert any business or any customers of Wow Wow Lemonade Stands to any other person or Business Entity, 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.

(b) To the extent permitted by Applicable Law, upon the expiration or termination of this Agreement, or if you make an Assignment, or if any Restricted Person's relationship with you shall cease, then for a period of three (3) years thereafter, each person who was a Restricted Person before that event must not in any capacity, either directly or indirectly, engage in any Competitive Activities within the Multi-Unit Territory or within thirty (30) miles of any Wow Wow Lemonade Stand then existing.

(c) The parties have attempted in **Sections 9.1(a)** and **9.1(b)** of this Agreement above to limit your right to compete only to the extent necessary to protect us from unfair competition. The parties hereby expressly agree that if the scope or enforceability of **Section 9.1(a)** or **9.1(b)** of this Agreement is disputed at any time by you, a court or arbitrator, as the case may be, may modify either or both of such provisions to the extent that it deems necessary to make such provision(s) enforceable under Applicable

Law. In addition, we reserve the right to reduce the scope of either, or both, of said provisions without your consent, at any time or times, effective immediately upon notice to you. Any period of time specified in this Article 9 will be tolled and suspended for any period of time during which you are in violation of any restrictive covenant of this Agreement or any other agreement with us.

9.2 Confidentiality

(a) We possess and continue to develop, and during the course of the relationship established hereunder, Restricted Persons may have access to, proprietary and confidential information of ours and our Affiliates, including specifications, plans, procedures, concepts and methods and techniques of developing and operating Wow Wow Lemonade Stands (the "**Trade Secrets**"). We may disclose certain of our Trade Secrets through the Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, and through our training program and other guidance and management assistance, and in performing our other obligations and exercising our rights under this Agreement.

(b) Each Restricted Person shall acquire no interest in the Trade Secrets other than the right to use them in developing Wow Wow Lemonade Stands pursuant to this Agreement. A Restricted Person's duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Each Restricted Person shall: (i) not divulge or use any of our Trade Secrets for the benefit of your, your Owners, any third party (including any person, Business Entity or enterprise of any type or nature); (ii) not use the Trade Secrets in any business or other endeavor other than in connection with Wow Wow Lemonade Stands developed hereunder; (iii) maintain absolute confidentiality of the Trade Secrets during and after the Term of this Agreement; and (iv) make no unauthorized copy of any portion of the Trade Secrets, including without limitation, the Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral. You shall operate and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use and disclosure of the Trade Secrets, including, implementing restrictions and limitations as we may prescribe on disclosure to employees and use of non-disclosure and non-competition provisions in employment agreements with employees who may have access to the Trade Secrets (the current approved form is attached to the Franchise Disclosure Document as **Exhibit I**). Promptly upon our request, you shall deliver executed copies of such agreements to us. If you have any reason to believe that any employee has violated the provisions of the confidentiality and noncompetition agreement, you shall promptly notify us and shall cooperate with us to protect us against infringement or other unlawful use including, but not limited to, the prosecution of any lawsuits if, in our judgment, such action is necessary or advisable. Upon termination of this Agreement, you shall immediately return to us all written materials (including computerized information) you have received from us or that you have developed during the Term. You shall not retain any materials that contain Trade Secrets.

(c) In the event any portion of the above covenants violates laws affecting you or any other Restricted Person, or is held invalid or unenforceable in a final judgment to which we and you are parties, then the maximum legally allowable restriction permitted by law shall control and bind you. We may at any time unilaterally reduce the scope of any part of the above covenants, and you shall comply with any such reduced covenant upon receipt of written notice. The provisions of this **Section 9.2** shall be in addition to and not in lieu of any other confidentiality obligation of yours, or any other person, whether pursuant to another agreement, or pursuant to Applicable Law.

9.3 Specific Performance

In view of the importance of the Marks and the incalculable and irreparable harm that would result to the parties in the event of a Default under this **Article 9**, the parties agree that each party may seek specific performance and/or injunctive relief to enforce the covenants and agreements in this Agreement, in addition to any other relief to which such party may be entitled at law or in equity.

ARTICLE 10.
TERMINATION

We will have the right to terminate this Agreement immediately, without providing you any opportunity to cure, upon the occurrence of any of the following events:

10.1 Assignment Without Consent.

Any Assignment or attempted Assignment in violation of the terms of **Section 8.2 or 8.3**, or without the written consents required pursuant to this Agreement; provided, however: (1) if you are an individual, upon prompt written request following your death or legal incapacity, we will allow a period of up to three (3) months after such death or legal incapacity for your heirs, personal representatives, or conservators (the "**Heirs**") to seek and obtain our consent to the Assignment of your rights and interests in this Agreement to Heir(s) or another person acceptable to us; or (2) if you are a Business Entity, upon prompt written request following the death or legal incapacity of an Owner, directly or indirectly, owning twenty percent (20%) or more of the Equity or voting power of you, we will allow a period of up three (3) months after such death or legal incapacity for his or her Heir(s) to seek and obtain our consent to the Assignment of such Equity to the Heir(s) or to another person or persons acceptable to us. If, within said three (3) month period, said Heir(s) fail to receive or attempt to receive our consent, then this Agreement will immediately terminate at our election.

10.2 Failure to Satisfy Development Obligation.

Subject to **Section 2.2**, your failure to satisfy the Development Obligation within the Development Periods.

10.3 Failure to Pay Fees.

Your failure to pay any fee in a manner required by this Agreement or any other agreement between us (or our Affiliates) and you (or your Affiliates).

10.4 Opening Restaurants Without Our Consent.

Your opening of any Wow Wow Lemonade Stand in the Development Territory except in accordance with the procedures listed in **Sections 7.1** through **7.2**.

10.5 Refusal to Comply With Restrictive Covenants.

Your failure to fully comply with the requirements of **Article 9**.

10.6 Failure to Cure Default Under Individual Franchise Agreement.

Any termination or default of any other agreement between you (or your Affiliates) and us (and our Affiliates), including any individual Franchise Agreement, which default remains uncured after the expiration of any applicable cure period.

10.7 Failure to Cure Any Other Default After 30 Days' Notice

You commit any default of this Agreement not specifically identified in **Sections 10.1** through **10.6** within thirty (30) days of our sending to you written notice of the default.

ARTICLE 11.
GENERAL CONDITIONS AND PROVISIONS

11.1 Relationship of the Parties

It is expressly agreed that the parties intend by this Agreement to establish between us and you the relationship of franchisor and franchisee. It is further agreed that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. All employees hired by or working for you shall be your exclusive employees and shall not, for any purpose, be deemed employees of ours or subject to our control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. Neither party shall have the power to bind or obligate the other except specifically as set forth in this Agreement. The parties agree that the relationship created by this Agreement is one of independent contractor and not a fiduciary relationship.

11.2 Indemnity by You

You hereby agrees to protect, defend and indemnify us, and all of our past, present and future Owners, Affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person, firm or corporation or to any property arising out of or in connection with your construction, development or operation of a Wow Wow Lemonade Stand pursuant hereto, except to the extent caused by intentional acts of ours in breach of this Agreement. The terms of this **Section 11.2** shall survive the termination, expiration or cancellation of this Agreement.

11.3 No Consequential Damages For Legal Incapacity

We shall not be liable to you for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by you by reason of any delay in the delivery of our FDD, or other conduct not due to our gross negligence or intentional misfeasance.

11.4 Waiver and Delay

No waiver by us of any Default or Defaults, or series of Defaults in performance by you, and no failure, refusal or neglect of ours to exercise any right, power or option given to us hereunder or under any Franchise Agreement or other agreement between the parties, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to Wow Wow Lemonade Stands), or to insist upon strict compliance with or performance of your obligations under this Agreement or any Franchise Agreement or other agreement between the parties, whether entered into before, after or contemporaneously with the execution hereof (and whether or not related to Wow Wow Lemonade Stands), shall constitute a waiver of the provisions of this Agreement with respect to any continuing or subsequent Default or a waiver by us of our right at any time thereafter to require exact and strict compliance with the provisions thereof.

11.5 Survival of Covenants

The covenants contained in this Agreement which, by their nature or terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

11.6 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of our successors and assigns and shall be binding upon and inure to the benefit of you and your respective heirs, executors, administrators, successors and assigns, subject to the prohibitions and restrictions against Assignment contained herein.

11.7 Joint and Several Liability

If you consist of more than one person or Business Entity, or a combination thereof, the obligations and liabilities of each such person or Business Entity to us are joint and several, and such person(s) or Entities shall be deemed to be a general partnership.

11.8 Governing Law

This Agreement is governed by and will be interpreted in accordance with the laws of the State of Nevada, without reference to conflict of laws provisions. By agreeing to the application of Nevada law, the parties do not intend to make this Agreement or their relationship subject to any franchise, dealership, distributorship, business opportunity, or similar statute, rule, or regulation of the State of Nevada to which this Agreement or the parties' relationship would not otherwise be subject. The parties each acknowledge and agree that this choice of applicable state law provides each of the parties with the mutual benefit of uniform interpretation of this Agreement. You expressly waive any rights or protections you have or may have under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable Laws or regulations.

11.9 Titles for Convenience

Article and paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

11.10 Gender and Construction

The terms of all Addendums hereto are hereby incorporated into and made a part of this Agreement as if the same had been set forth in full herein. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or Section hereof may require. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, approval, acceptance or authorization of ours which you may be required to obtain hereunder may be given or withheld by us in our sole discretion, and on any occasion where we are required or permitted hereunder to make any judgment, determination or use our discretion, including any decision as to whether any condition or circumstance meets our standards or satisfaction, we may do so in our sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. The parties intend that if any provision of this Agreement is susceptible to two (2) or more constructions, one (1) of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

11.11 Severability, Modification

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to Applicable Law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect.

11.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

11.13 Fees and Expenses

Should any party hereto commence any action or proceeding for the purpose of enforcing, or preventing the Default of, any provision hereof, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged Default of any provision hereof, or for a declaration of such party's rights or obligations hereunder, then the prevailing party shall be reimbursed by the losing party for all costs and expenses incurred in connection therewith, including reasonable attorneys' fees for the services rendered to such prevailing party. In the event of a Default by you, all of our costs and expenses arising from such Default, including reasonable legal fees and reasonable hourly charges of our administrative employees shall be paid to us by you within five (5) days after cure or upon demand by us if such Default is not cured.

11.14 Notices

Except as otherwise expressly provided herein, all written notices and reports permitted or required to be delivered by the parties pursuant hereto shall be deemed so delivered at the time delivered by hand; one (1) business day after electronically confirmed transmission by facsimile or other electronic system; one (1) business day after delivery by Express Mail or other recognized, reputable overnight courier; or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed as follows:

If to us: Wow Wow Hawaiian Lemonade Franchising, LLC
14301 N. 87th Street, Suite 209
Scottsdale, Arizona 85260

If to you: ____________________________
____
____
____
Facsimile No.: (____) ____________

or to such other address as such party may designate by ten (10) days' advance written notice to the other party.

11.15 Dispute Resolution

(a) We may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of Nevada, and you and each of your Owners irrevocably submit to the jurisdiction of these courts and waive any objection to the application of Nevada law or to the jurisdiction or venue in these Nevada courts. If you institute any action arising out of or relating to this Agreement, that action must be brought in a court of applicable jurisdiction in Clark County, Nevada.

(b) Before either party may initiate any legal proceedings, the parties pledge to attempt first to resolve the controversy or claim arising out of or relating to this Agreement ("**Dispute**") pursuant to mediation conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association ("**AAA**") unless the parties agree on alternative rules and a mediator within fifteen (15) days after either party first gives notice of mediation. Mediation shall be conducted in Clark County, Nevada. Mediation shall be conducted and completed within forty five (45) days following the date either party first gives notice of mediation. The fees and expenses of the mediator shall be shared equally by the parties. The mediator shall be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter. Mediation is a compromise negotiation and shall constitute privileged communications under Nevada and other Applicable Laws. The entire mediation process shall be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties shall not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible shall not be excluded from discovery or admission as a result of its use in the mediation. The substantive law applied in such mediation shall be the laws of the State of Nevada. This **Section 11.15(b)** will not apply to any Dispute in which we seek injunctive or other provisional relief including but not limited to enforcement of liens, security agreements, or attachment, as we deem to be necessary or appropriate to compel you to comply with your obligations to us and/or to protect our Marks. Any claim or Dispute involving or contesting the validity of any of the Marks shall not be subject to mediation.

(c) IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

Your Initials: __________

(d) THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

Your Initials: __________

(e) ANY DISAGREEMENT BETWEEN THE PARTIES (AND AFFILIATES AND OWNERS OF EACH) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

Your Initials: __________

(f) The terms of **Articles 9 and 11** of this Agreement shall survive termination, expiration or cancellation of this Agreement.

ARTICLE 12.
SUBMISSION OF AGREEMENT

12.1 General

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by the parties.

ARTICLE 13.
FRANCHISEE

13.1 Business Entity Franchisee Information

If you are a Business Entity, you represent and warrant that the information set forth in **Addendum 3** which is annexed hereto and by this reference made a part hereof, is accurate and complete in all material respects. You shall notify us in writing within ten (10) days of any change in the information set forth in **Addendum 3**, and shall submit to us a revised **Addendum 3**, which shall be certified by you as true, correct and complete and upon acceptance thereof by us shall be annexed to this Agreement as **Addendum 3**. You promptly shall provide such additional information as we may from time to time request concerning all persons who may have any direct or indirect financial interest in your Business Entity, including providing copies of all amendments to your "Business Entity Documents" as defined in **Addendum 3**. You shall conduct no business other than the business contemplated hereunder and under any currently effective Franchise Agreement between the parties. Your Business Entity Documents shall recite that the issuance and transfer of any interest therein is subject to the restrictions set forth in the Agreement and any Franchise Agreement executed pursuant thereto.

13.2 Operating Principal

If you are a Business Entity, you shall at all times have appointed an Operating Principal acceptable to us. The Operating Principal must be an owner of the Business Entity and shall be principally responsible for communicating and coordinating with us regarding business, operational and other ongoing matters concerning this Agreement and Wow Wow Lemonade Stands developed pursuant hereto. The Operating Principal shall have the full authority to act on your behalf in regard to performing, administering or amending this Agreement and all Franchise Agreements executed pursuant hereto. We may, but are not required to, deal exclusively with the Operating Principal in such regards unless and until our actual receipt of written notice from you of the appointment of a successor Operating Principal, who shall have been accepted by us.

13.3 Business Practices

(a) You represent and warrant that neither you nor any of your Owners conduct any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act ("**Patriot Act**") and any amendments or successors thereto.

(b) Neither you nor any of your Owners or the employees of either of them is named as a "Specially Designated Nationals" or "Blocked Persons" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control (currently, this list is published under the internet website address www.treasury.gov/offices/enforcement/ofac/); and that you are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or any of your Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You agree to notify us in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this paragraph incorrect.

(c) You represent that you understand and have been advised by legal counsel on the requirements of the applicable laws referred to above, including the United States Foreign Corrupt Practices Act, any local foreign corrupt practices laws and the Patriot Act, and hereby acknowledges the importance to us, the System and the parties' relationship of their respective compliance with any requirement to report or provide access to information to us or any government, that is made part of Applicable Law. You shall take all reasonable steps to require its consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

ARTICLE 14.
ACKNOWLEDGMENTS

14.1 General

(a) You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that you have had the opportunity to obtain the advice of counsel in connection with entering into this Agreement, that you understand the nature of this Agreement, and that you intend to comply herewith and be bound hereby. You have either consulted with counsel or other advisors or have deliberately declined to do so.

(b) We expressly disclaim making, and you acknowledge that you have not received or relied on any warranty or guarantee, express or implied, as to the potential volume, profits, expenses, or success of the business venture contemplated by this Agreement. You acknowledge that there have been no representations by our directors, employees or agents, that are not contained in, or inconsistent with, the statements made in the Franchise Disclosure Document or with the provisions of this Agreement.

(c) You have read and completed the Compliance Questionnaire attached to the Franchise Disclosure Document as **Exhibit H**.

14.2 Receipt of Documents

You acknowledge that you have received a copy of this Agreement and the attachments thereto, at least seven (7) business days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

14.3 True and Accurate Information

You affirm that all information set forth in any and all applications, financial statements and submissions to us are true, complete and accurate in all respects, with you expressly acknowledging that we are relying upon the truthfulness, completeness and accuracy of such information.

14.4 Entire Agreement

This Agreement and the Addendums incorporated herein contain all of the terms and conditions agreed upon by the parties hereto concerning the subject matter hereof. No other agreements concerning the subject matter hereof, written or oral, shall be deemed to exist or to bind any of the parties hereto and all prior agreements, understandings and representations, are merged herein and superseded hereby. You represent that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained herein. No officer, employee or agent of ours has any authority to make any representation or promise not included in this Agreement or the FDD, and you agree that you have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties hereto. Nothing in this Section or in the Franchise Agreement shall be deemed a waiver of your reliance on any representations made by us in the FDD.

14.5 Risk

You have conducted an independent investigation of the business contemplated by this Agreement and recognize that, like any other business, an investment in Wow Wow Lemonade Stands involves business risks and that the success of the venture is dependent, among other factors, upon your business abilities and efforts. We do not, in this Agreement or otherwise, make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the first date set forth above.

Wow Wow Hawaiian Lemonade Franchising, LLC	You: ______________________
By: ______________________	By: ______________________
Print Name: ______________________	Print Name: ______________________
Its: ______________________	Its: ______________________
Date: ______________________	Date: ______________________

APPENDIX

GLOSSARY OF TERMS

AAA: Defined in **Section 11.16(b)**.

Affiliate: A person or Business Entity which is united, attached, connected, or allied with, or is controlling or under common control with a party, including but not limited to parent, subsidiary or affiliated companies.

Applicable Law: means and includes applicable common law and all applicable statutes, laws, rules, regulations, ordinances, policies and procedures established by any Governmental Authority, including all labor, immigration, disability, food and drug laws and regulations, as in effect on the Effective Date hereof, and as may be amended, supplemented or enacted from time to time.

Assignment: Defined in **Section 8.3(a)**.

Authorized Menu: Menu items and other food and beverage products as Wow Wow designates and approves in writing from time to time for sale through Wow Wow Lemonade Stands.

Authorized Products: The specific products and menu items that are specified by Wow Wow from time to time in the Manual, or as otherwise directed by Wow Wow in writing, for sale at Wow Wow Lemonade Stands, prepared, sold and/or manufactured in strict accordance with Wow Wow standards and specifications, as part of the Authorized Menu or otherwise.

Business Entity: A corporation, a general or limited Partnership or a limited liability company.

Competitive Activities: To own, operate, lend to, advise, be employed by, or have any financial interest in any business (other than a Wow Wow Lemonade Stand operated under the Marks) that: (i) is similar to Wow Wow Lemonade Stands: (ii) has similar decor or similar menu items to a Wow Wow Lemonade Stands; (iii) sells any products that are similar to or the same as those sold at Wow Wow Lemonade Stands (including handcrafted lemonades, acai bowls, and raw superfood smoothies) as a combined total of 20% or more of all menu sales.

Default: Any breach of, or failure to comply with, any of the terms or conditions of an agreement.

Development Period: Each of the time periods indicated on **Addendum 2** during which Franchisee has the right and obligation to construct, equip, open and thereafter continue to operate Wow Wow Lemonade Stands in accordance with the Development Obligation.

Development Obligation: The Franchisee's right and obligation to construct, equip, open and thereafter continue to operate at sites within the Multi-Unit Territory the cumulative number of Wow Wow Lemonade Stands in **Addendum 2** within each Development Period and, if applicable, within the geographic areas specified therein.

Dispute: Defined in **Section 11.15(b)**.

Equity: Capital stock, membership interests, Partnership Rights or other equity ownership interests of a Business Entity.

Franchise Agreement: The form of agreement prescribed by Wow Wow and used to grant to Franchisee the right to own and operate a single Wow Wow Lemonade Stand in the Multi-Unit Territory, including all exhibits, riders, guarantees or other related instruments, all as amended from time to time.

Franchise Disclosure Document or **FDD:** Defined in **Section 8.2(c)**.

Governmental Authority: All Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities.

Initial Franchise Fee: Defined in **Section 5.1**.

Manual: The primary source of information regarding the System and the construction and operation of a Wow Wow Lemonade Stand, which included Wow Wow's operations and training manuals, and any other written directive related to the System, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary and additional manuals and written directives established by Wow Wow as in effect and amended from time to time.

Marks: Certain trade names, service marks, trademarks, logos, emblems, and other indicia of origin, including but not limited to the mark "WOW WOW HAWAIIAN LEMONADES®" and such other trade names, service marks, trademarks, copyrights, insignia, emblems, slogans, logos, commercial symbols, signs, trade dress (including designs and specifications and the motif, decor, and color combinations for a Wow Wow Lemonade Stand), and all other visual identification, as are now designated, and may hereafter be designated by Wow Wow, for use in connection with the System.

Multi-Unit Territory: The geographic area defined or identified in **Addendum 1**, attached hereto.

Non-Traditional Location: Defined in **Section 2.1**.

Operating Principal: President, manager or authorized representative, who is an Owner of Franchisee, and accepted by Wow Wow (and until subsequently disapproved by Wow Wow), to serve as the authorized representative of Franchisee, who Franchisee acknowledges and agrees shall act as Franchisee's representative, and shall have the authority to act on behalf of Franchisee during the Term.

Owner: Any direct or indirect shareholder, member, general or limited partner, trustee, or other Equity owner of an Business Entity, except, that if Wow Wow or any Affiliate of Wow Wow has any ownership interest in Franchisee, the term "Owner" shall not include or refer to Wow Wow or that Affiliate or their respective direct and indirect parents and subsidiaries, and no obligation or restriction upon Franchisee, or its Owners shall bind Wow Wow, said Affiliate or their respective direct and indirect parents and subsidiaries or their respective officers, directors, or managers.

Partnership: Any general partnership, limited partnership or limited liability partnership.

Partnership Rights: Voting power, property, profits or losses, or partnership interests of a Partnership.

Purchase Option: Defined in **Section 8.3(c)**.

Restricted Persons: The Franchisee, and each of its Owners and Affiliates, and the respective officers, directors, managers, and Affiliates of each of them, the Operating Principal, and the spouse and family members who live in the same household of each of the foregoing who are individuals.

System: A uniform system for the establishment and operation of a Wow Wow Lemonade Stand, including uniform standards, specifications, and procedures for operations along with related computer software programs; procedures for quality control; Trade Dress; the Marks, management programs, accounting methods, training and ongoing operational assistance; advertising and promotional techniques; personnel training, trade secrets; methods of preparing, serving, merchandising, and selling a limited menu of artisanal lemonades, acai smoothie bowls, raw kombucha, and cold brew coffee on tap, prepared in accordance with Wow Wow's methods; and other related benefits for use by Franchisee relating to the operation and promotion of a Wow Wow Lemonade Stand, all of which may be changed, improved, and further developed by Wow Wow from time to time.

Term: Defined in **Section 4.1**.

Territory: The geographic area designated by Wow Wow, described by attaching a map, or by reference to streets, natural boundaries or zip codes.

Then-current: The form of Franchise Disclosure Document, a multi-unit Franchise Agreement, or Franchise Agreement then currently provided by Wow Wow to similarly situated prospective franchisees, or if not then being so provided, then such form selected by Wow Wow in its discretion which previously has been delivered to and executed by a licensee or franchisee of Wow Wow.

Trade Secrets: Defined in **Section 9.2(a).**

Venue: means any site where a Wow Wow Lemonade Stand is located or proposed to be located.

Wow Wow Lemonade Stand or Wow Wow Lemonade Stands: Defined in **Recital A**

ADDENDUM 1
MULTI-UNIT TERRITORY

The Multi-Unit Territory is defined as the territory within the boundaries described below:

ADDENDUM 2
DEVELOPMENT OBLIGATION

	DEVELOPMENT PERIOD ENDING	CUMULATIVE NO. OF WOW WOW LEMONADE STANDS TO BE IN OPERATION
1	______________________________	____ Wow Wow Lemonade Stands
2	______________________________	____ Wow Wow Lemonade Stands
3	______________________________	____ Wow Wow Lemonade Stands
4	______________________________	____ Wow Wow Lemonade Stands
5	______________________________	____ Wow Wow Lemonade Stands

ADDENDUM 3
BUSINESS ENTITY INFORMATION

Franchisee represents and warrants that the following information is accurate and complete in all material respects:

(i) Franchisee is a (check as applicable):
[ ] corporation
[ ] limited liability company
[ ] general partnership
[ ] limited partnership
[ ] Other (specify): ___________________________

(ii) Franchisee shall provide to Wow Wow concurrently with the execution hereof true and accurate copies of its charter documents including Articles of Incorporation, Bylaws, Operating Agreement, Regulations Partnership Agreement, resolutions authorizing the execution hereof, and any amendments to the foregoing ("**Business Entity Documents**").

(iii) Franchisee promptly shall provide such additional information as Wow Wow may from time to time request concerning all persons who may have any direct or indirect financial interest in Franchisee.

(iv) The name and address of each of Franchisee's owners, members, or general and limited partners:

NAME	ADDRESS	NUMBER OF SHARES OR PERCENTAGE INTEREST

(v) There is set forth below the names, and addresses and titles of Franchisee's principal officers or partners who will be devoting their full time to the Business:

NAME	ADDRESS

(vi) The address where Franchisee's Financial Records, and Business Entity Documents are maintained is: ____

____

The "Operating Principal" is: _______________________________

<u>WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC</u>

EXHIBIT D

Financial Statements

Wow Wow Hawaiian Lemonade Franchising LLC
Profit and Loss
January - April, 2022

	Jan 2022	Feb 2022	Mar 2022	Apr 2022	Total
Income					
License Sale					0.00
Franchise License	45,000.00	45,000.00	70,000.00	20,000.00	180,000.00
Total License Sale	**$ 45,000.00**	**$ 45,000.00**	**$ 70,000.00**	**$ 20,000.00**	**$ 180,000.00**
Royalties	19,895.53	21,620.58	26,393.76	30,050.13	97,960.00
Brand Fee	3,441.83	4,245.32	5,463.53	6,351.91	19,502.59
Tech Fee	3,500.00	3,500.00	3,500.00	3,850.00	14,350.00
Total Royalties	**$ 26,837.36**	**$ 29,365.90**	**$ 35,357.29**	**$ 40,252.04**	**$ 131,812.59**
Total Income	**$ 71,837.36**	**$ 74,365.90**	**$ 105,357.29**	**$ 60,252.04**	**$ 311,812.59**
Gross Profit	**$ 71,837.36**	**$ 74,365.90**	**$ 105,357.29**	**$ 60,252.04**	**$ 311,812.59**
Expenses					
Advertising and Promotion					0.00
Administrative	1,050.00	550.00	1,231.13	5,360.00	8,191.13
Media Placement		3,250.00		500.00	3,750.00
Other	2,854.45	7,643.05	8,655.53	1,254.00	20,407.03
Production and Design	5,262.00	330.00	2,400.00	6,000.00	13,992.00
Total Advertising and Promotion	**$ 9,166.45**	**$ 11,773.05**	**$ 12,286.66**	**$ 13,114.00**	**$ 46,340.16**
Automobile Expense	350.00	350.00	350.00	350.00	1,400.00
Bank Service Charges	62.95	24.00	38.95	48.00	173.90
Cell Phone	379.20	266.04	261.13	328.31	1,234.68
Commissions - Franchise Sales	3,850.00	4,830.00	2,450.00	4,200.00	15,330.00
Computer and Internet Expenses					0.00
Email Host	262.67	262.67	262.67	262.67	1,050.68
Software Fees	6,436.29	1,193.25	1,093.92	890.05	9,613.51
Total Computer and Internet Expenses	**$ 6,698.96**	**$ 1,455.92**	**$ 1,356.59**	**$ 1,152.72**	**$ 10,664.19**
Dues and Subscriptions	149.00				149.00
Employee Relations-gifts				1,000.00	1,000.00
Franchise Development		1,795.00			1,795.00
CRM	950.00	1,102.29	1,102.29	1,102.29	4,256.87
Digital Ads	1,075.00	1,000.00	1,000.00	-250.00	2,825.00
Marketing Agency	14,346.86	12,246.87	11,443.24	11,420.24	49,457.21
Payroll - FranDev	5,769.23	5,769.24	5,769.24	7,739.18	25,046.89
PR	1,875.00	3,375.00	3,375.00	3,375.00	12,000.00
Total Franchise Development	**$ 24,016.09**	**$ 25,288.40**	**$ 22,689.77**	**$ 23,386.71**	**$ 95,380.97**
Insurance Expense					0.00
Health Insurance	1,750.00	1,500.00	1,500.00	1,500.00	6,250.00
Total Insurance Expense	**$ 1,750.00**	**$ 1,500.00**	**$ 1,500.00**	**$ 1,500.00**	**$ 6,250.00**
Meals and Entertainment					0.00
Meals				368.00	368.00
Total Meals and Entertainment	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 368.00**	**$ 368.00**
Merchant Account Fees	50.55	31.63	31.12	49.45	162.75
QuickBooks Payments Fees	124.43	135.31	152.87	168.68	581.29
Total Merchant Account Fees	**$ 174.98**	**$ 166.94**	**$ 183.99**	**$ 218.13**	**$ 744.04**
Office Expense	226.29	153.31	127.16	260.28	767.04

Office Supplies	119.45				119.45
Payroll Expenses	23,230.77	23,230.76	23,230.76	37,615.37	107,307.66
Payroll Tax	3,286.64	2,756.84	2,420.47	3,822.54	12,286.49
Total Payroll Expenses	**$ 26,517.41**	**$ 25,987.60**	**$ 25,651.23**	**$ 41,437.91**	**$ 119,594.15**
Postage/Shipping	33.26		49.87	3.85	86.98
Professional Fees					0.00
Accounting	275.00	1,160.00	581.50	1,145.00	3,161.50
Legal	1,500.62	996.00	2,717.00	7,201.70	12,415.32
Outside Services	2,000.00	2,000.00	2,000.00	2,000.00	8,000.00
Total Professional Fees	**$ 3,775.62**	**$ 4,156.00**	**$ 5,298.50**	**$ 10,346.70**	**$ 23,576.82**
Rent Expense					0.00
Office	1,416.06	1,416.06	1,416.06	769.32	5,017.50
Total Rent Expense	**$ 1,416.06**	**$ 1,416.06**	**$ 1,416.06**	**$ 769.32**	**$ 5,017.50**
Training Expense					0.00
Flight				934.30	934.30
Learning and Development	146.30	436.56	776.41	393.66	1,752.93
Lodging		1,040.44		1,207.11	2,247.55
Meals	17.41	424.11		2,461.08	2,902.60
Transportation		399.14		635.59	1,034.73
Total Training Expense	**$ 163.71**	**$ 2,300.25**	**$ 776.41**	**$ 5,631.74**	**$ 8,872.11**
Travel Expense			29.59		29.59
Flight	313.45	354.40		472.19	1,140.04
Lodging			1,140.80	3,042.50	4,183.30
Meals		648.53		542.62	1,191.15
Transportation		30.00	58.82	64.00	152.82
Total Travel Expense	**$ 313.45**	**$ 1,032.93**	**$ 1,229.21**	**$ 4,121.31**	**$ 6,696.90**
Total Expenses	**$ 79,162.88**	**$ 80,700.50**	**$ 75,665.53**	**$ 108,236.98**	**$ 343,765.89**
Net Operating Income	**-$ 7,325.52**	**-$ 6,334.60**	**$ 29,691.76**	**-$ 47,984.94**	**-$ 31,953.30**
Other Income					
Interest Earned	0.04	0.03	0.08	0.19	0.34
Total Other Income	**$ 0.04**	**$ 0.03**	**$ 0.08**	**$ 0.19**	**$ 0.34**
Net Other Income	**$ 0.04**	**$ 0.03**	**$ 0.08**	**$ 0.19**	**$ 0.34**
Net Income	**-$ 7,325.48**	**-$ 6,334.57**	**$ 29,691.84**	**-$ 47,984.75**	**-$ 31,952.96**

Wow Wow Hawaiian Lemonade Franchising LLC
Balance Sheet
As of April 30, 2022

		Total
ASSETS		
Current Assets		
Bank Accounts		
US Bank Checking - 1807		47,363.67
US Bank Savings - 0831		245,188.45
WWHL Gift Card Account		14,414.15
Total Bank Accounts	**$**	**306,966.27**
Accounts Receivable		
Accounts Receivable		8,324.52
Total Accounts Receivable	**$**	**8,324.52**
Other Current Assets		
Inventory		26,452.37
Prepaid Expense		7,148.37
Undeposited Funds		24,278.64
Total Other Current Assets	**$**	**57,879.38**
Total Current Assets	**$**	**373,170.17**
Fixed Assets		
Accumulated Depreciation		-1,831.52
Computers and Equipment		3,116.51
Total Fixed Assets	**$**	**1,284.99**
Other Assets		
Accumulated Amortization		-93,333.00
Goodwill		600,000.00
Investment in WWHL Kihei		22,383.00
Section 179 Carryover		12,240.00
Total Investment in WWHL Kihei	**$**	**34,623.00**
Security Deposits		2,689.00
Total Other Assets	**$**	**543,979.00**
TOTAL ASSETS	**$**	**918,434.16**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable (A/P)		37,602.59
Total Accounts Payable	**$**	**37,602.59**
Credit Cards		
AMEX		11,174.39
US Bank 9385		16,406.72
US Bank CC 1085		5,861.59
Total Credit Cards	**$**	**33,442.70**
Other Current Liabilities		

Due to Vendor		57,629.87
Gift Card Liability		13,873.94
Grand Opening Marketing - FZs		107,710.00
Holdback 2 - Misc		49,979.75
Payroll Liabilities		366.00
Total Other Current Liabilities	**$**	**229,559.56**
Total Current Liabilities	**$**	**300,604.85**
Total Liabilities	**$**	**300,604.85**
Equity		
Member 1 Equity - C&G		970,000.00
Member 2 Equity - Sagehen		80,000.00
Member 3 Equity - Holly St		20,000.00
Member Disbursement (WWI)		-22,375.26
Paid-In Capital - C & G		190,000.00
Retained Earnings		-692,490.54
Net Income		-167,304.89
Total Equity	**$**	**377,829.31**
TOTAL LIABILITIES AND EQUITY	**$**	**678,434.16**

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021, 2020 AND 2019

ELLSWORTH • STOUT

CPAs and Consultants

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2021, 2020 AND 2019

Table of Contents

ELLSWORTH • STOUT
CPAs and Consultants

Independent Auditor's Report

To the Member of
Wow Wow Hawaiian Lemonade Franchising, LLC

Opinion
We have audited the accompanying financial statements of Wow Wow Hawaiian Lemonade Franchising, LLC, which comprise the balance sheets as of December 31, 2021, 2020, and 2019, and the related statements of income and member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wow Wow Hawaiian Lemonade Franchising, LLC as of December 31, 2021, 2020, and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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 Wow Wow Hawaiian Lemonade Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

CPA
The CPA. Never Underestimate The Value.®
Acuity Financial Center
7881 W. Charleston Blvd., Ste. 155 • Las Vegas, NV 89117
p 702•871•2727 f 702•876•0040
lvcpas.com
Members of the American Institute of Certified Public Accountants & Nevada Society of Certified Public Accountants

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

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

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

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

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

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

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

Ellsworth & Stout, LLC

Las Vegas, Nevada
April 18, 2022

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2021, 2020 AND 2019

	2021	2020	2019
ASSETS			
Current Assets:			
Cash	$ 78,360	$ 12,645	$ 390,308
Cash held in escrow - restricted	-	30,000	30,000
Accounts receivable, net	18,612	11,862	4,624
Inventory	-	-	11,143
Prepaid expenses	1,282	-	-
Total current assets	98,254	54,507	436,075
Other Assets:			
Investments	22,385	-	-
Goodwill, net	460,000	520,000	580,000
Refundable deposits	2,689	-	-
Total other assets	485,074	520,000	580,000
Total Assets	$ 583,328	$ 574,507	$ 1,016,075
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)			
Current Liabilities:			
Accounts payable	$ 39,486	$ 15,509	$ 7,800
Accrued expenses	23,630	25,329	20,553
Current maturities of long-term debt	-	16,613	-
Current maturities of deferred franchise fees	106,900	39,400	30,000
Holdback liabilities	-	-	186,013
Total current liabilities	170,016	96,851	244,366
Long-Term Liabilities:			
Long-term debt, net of current maturities	-	28,348	-
Deferred franchise fees, net of current	805,292	278,400	-
Total long-term liabilities	805,292	306,748	-
Total Liabilities	975,308	403,599	244,366
Member's Equity (Deficit)	(391,980)	170,908	771,709
Total Liabilities and Member's Equity (Deficit)	$ 583,328	$ 574,507	$ 1,016,075

See accompanying notes to the financial statements.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC
STATEMENTS OF INCOME AND MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	2021	2020	2019
Revenue	$ 386,136	$ 165,298	$ 94,293
Cost of Revenue	76,075	115,794	16,851
Gross Profit	310,061	49,504	77,442
Operating Expenses:			
Amortization	60,000	60,000	20,000
Brand advertising	65,575	41,988	16,280
Employee benefits	12,000	12,133	3,042
Office expense and miscellaneous	28,795	14,264	13,192
Outside services	64,807	83,077	
Professional fees	45,525	22,009	70,858
Rent	11,312	17,053	5,728
Salaries, wages and related	255,386	258,108	79,821
Technology	61,074	16,349	11,911
Training	323,135	194,148	34,093
Travel and meals	12,889	6,705	9,142
Total operating expenses	940,498	725,834	264,067
Income (Loss) from Operations	(630,437)	(676,330)	(186,625)
Other Income (Expense):			
PPP Loan Forgiveness	45,250	-	-
Interest income	3	46	220
Interest expense	(507)	(1,585)	(4,141)
Other income (expense)	-	4,268	1,000
Other expense	(14,939)	-	-
Other income (expense)	29,807	2,729	(2,921)
Net Income (Loss)	(600,630)	(673,601)	(189,546)
Member's Equity (Deficit), Beginning of Year	170,908	771,709	(15,442)
Member contributions	37,742	190,000	1,000,000
Member distributions	-	-	(23,303)
Adoption of accounting standards	-	(117,200)	-
Member's Equity (Deficit), End of Year	$ (391,980)	$ 170,908	$ 771,709

See accompanying notes to the financial statements.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

	2021	2020	2019
Cash Flows from Operating Activities			
Net loss	$ (600,630)	$ (673,601)	$ (189,546)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Accrued interest	-	261	-
Amortization	60,000	60,000	20,000
Gain on extinguishment of debt	(45,250)	-	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(6,750)	(7,238)	(4,624)
(Increase) decrease in inventory	-	11,143	(11,143)
(Increase) decrease in prepaid expenses	(1,282)	-	-
Increase (decrease) in refundable deposits	(2,689)		
Increase (decrease) in accounts payable	23,977	7,709	7,800
Increase (decrease) in accrued expenses	(1,410)	4,776	5,079
Increase (decrease) in deferred revenue	594,392	170,600	30,000
Increase (decrease) in holdback liabilities	-	(186,013)	
Net cash provided by (used in) operating activities	20,358	(612,363)	(142,434)
Cash Flows from Investing Activities			
Purchase of goodwill	-	-	(413,987)
Net cash used in investing activities	-	-	(413,987)
Cash Flows from Financing Activities			
Proceeds from debt borrowings	-	44,700	-
Member contributions	15,357	190,000	1,000,000
Member distributions	-	-	(23,303)
Net cash provided by financing activities	15,357	234,700	976,697
Net Change in Cash	35,715	(377,663)	420,276
Cash, Beginning of Year	42,645	420,308	32
Cash, End of Year	$ 78,360	$ 42,645	$ 420,308
Supplemental Cash Flow Information:			
Cash paid for interest	$ 218	$ 1,324	$ 4,141
Supplemental disclosure of non-cash financing activities:			
Acquisition of goodwill through increase in holdback liabilities	$ -	$ -	$ 186,013

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Wow Wow Hawaiian Lemonade Franchising, LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Entity

The Company was organized on November 10, 2016 as a limited liability company under the laws of the state of Nevada. The principal activity of the Company is to sale franchises that operate a gourmet lemonade stand under the name Wow Wow Hawaiian Lemonades at locations throughout the United States.

Basis of Accounting

The Company maintains its records on the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP)" requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

Accounts Receivable

The Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements. Accounts receivable balances were not impacted by the adoption of Topic 606 (as defined in the revenue recognition policy).

Accounts receivable is stated at the amount the Company expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

As of December 31, accounts receivable consisted of the following balances:

	2021	2020	2019
Accounts receivable	$ 18,612	$ 11,862	$ 4,624
Allowance for doubtful accounts	-	-	-
Accounts receivable, net	$ 18,612	$ 11,862	$ 4,624

Inventory

Inventory consists of franchisee materials and is stated at the lower of costs (first-in, first-out) or market.

Investments

The Company holds an investment in one of their franchised locations. The activity of this location has been included in the financial statements of the Company. The Company adjusts annually the balance of their investment to match the balance of the invstment on their tax statement.

Revenue Recognition

From 2014 through 2018, the Financial Accounting Standards Board ("FASB") issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries ("Topic 606"). The Company adopted Topic 606 at the beginning of the year ended December 31, 2020 using the modified retrospective method. Below is a discussion of how the Company's revenues are earned, accounting policies pertaining to revenue recognition prior to the adoption of Topic 606 ("Legacy GAAP"), accounting policies pertaining to revenue recognition subsequent to the adoption of Topic 606 and other required disclosures. Refer to Note 8 for information regarding the cumulative effect adjustment recorded to member's equity as of the beginning of the year ended December 31, 2020 to reflect the adoption of Topic 606. Also included in Note 8 is disclosure of the amount by which each balance sheet and income statement line item was impacted in the current reporting period as compared to Legacy GAAP.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees based upon a percentage of sales or a percentage fee for each single unit franchise awarded. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Under Legacy GAAP, initial franchise fees were recognized as revenue upon the completion of initial training. Upon the adoption of Topic 606, the Company has determined that the services provided in exchange for these initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, upon the adoption of Topic 606, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Company's contract liabilities are comprised of unamortized initial franchise fees. As of December 31, deferred franchise fees consisted of the following:

	2021	2020	2019
Deferred franchise fees	$ 912,192	$ 317,800	$ 30,000
Less: current maturities	(106,900)	(39,400)	(30,000.00)
	$ 805,292	$ 278,400	$ -

As of December 31, the Company expects to recognize contract liabilities as revenue over the remaining term of the associated franchise agreements as follows:

2022	$ 106,900
2023	106,900
2024	106,900
2025	106,900
2026	106,900
Thereafter	377,692
	$ 912,192

Under Legacy GAAP, continuing fees were recognized monthly, as they were earned. The timing and amount of revenue recognized related to continuing fees was not impacted by the adoption of Topic 606.

Under Legacy GAAP, receipts and expenditures related to brand building activities, such as marketing and advertising, which benefit the brand the franchisees operate under were netted together and presented on the balance sheet as a liability. In accordance with the provisions of Topic 606, the Company has determined that these brand building activities provided to the franchisees are highly interrelated with the franchise right and therefore not distinct. As a result, revenues for the brand building fund are recognized on a monthly basis, as they are billed, and reflected on the statements of income and member's equity (deficit) under the caption "revenue". Expenses incurred to provide brand building services are presented on the statement of income and member's equity (deficit) under the caption "brand advertising".

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the member. Therefore, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

The Company is no longer subject to potential income tax examinations by tax authorities for years before 2018.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Member's equity was unchanged due to these reclassifications.

NOTE 2 – ACQUISITION

On August 31, 2019, C&G Franchise Development, LLC (the "Buyer"), a Nevada limited liability company established on August 14, 2019, completed the purchase of 100% equity membership in the Company from Wow Wow, Inc. (the "Seller") (The "Agreement"). The goodwill of $600,000 arising from the acquisition consists largely of synergies and economies of scale expected from the acquisition.

GAAP defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. GAAP requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. GAAP also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date.

The following table summarizes the unaudited amounts representing fair values of the assets acquired and liabilities assumed at the acquisition date:

Cash held in escrow - restricted	$ 30,000
Deferred revenue	(30,000)
Goodwill	600,000
Total purchase price	$ 600,000

NOTE 3 – GOODWILL

The gross carrying amounts of goodwill, accumulated amortization and accumulated impairment loss consisted of the following as of December 31:

	2021	2020	2019
Goodwill	$ 600,000	$ 600,000	$ 600,000
Less: accumulated amortization	(140,000)	(80,000)	(20,000)
Less: impairment loss	-	-	-
	$ 460,000	$ 520,000	$ 580,000

The Company amortizes goodwill on the straight-line method over ten year unless a shorter useful life is more appropriate. Amortization expense for the years ended December 31, 2021, 2020, and 2019 was $60,000, $60,000, and $20,000, respectively.

NOTE 4 – HOLDBACK LIABILITIES

In connection with the Agreement (see Note 2), the Company set-up an indemnification holdback amount of $75,000. These funds will be held for one year from the closing date of the Agreement to cover any losses, as defined in the Agreement. As of December 31, 2021, 2020, and 2019, the indemnification holdback liability had an outstanding balance of $0, $0, and$75,000, respectively.

The Company also set-up a State of California Department of Business Oversight ("DBO") matter holdback amount of $150,000 to cover any potential losses related to the former owner or Seller's consent order with the State of California. Per the Agreement, the purchase price shall be reduced by the full aggregate amount of losses incurred until the Company's franchise disclosure document is fully and unqualifiedly registered with the State of California in a manner that allows the Company to sell franchises in the State of California. As of December 31, 2021, 2020, and 2019, the net DBO matter holdback liability had an outstanding balance of $0, $0, and $111,013, respectively.

NOTE 5 – FORGIVENESS OF DEBT

On May 15, 2020, the Company was granted a loan from a financial institution in the aggregate amount of $44,700, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted on March 27, 2020. The loan was set to mature in May 2022 and had a fixed interest rate of 1% per annum. In January 2021, the full amount of the loan plus accrued interest was forgiven by the Small Business Administration.

NOTE 6 – REVENUE RECOGNITION

As of December 31, the timing and recognition of revenue was as follows:

	2021	2020	2019
Services transferred at a point in time	$ 305,528	$ 125,898	$ 94,293
Services transferred over time	80,608	39,400	-
	$ 386,136	$ 165,298	$ 94,293

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

In August 2019, the Company entered into a consultation agreement with the Seller. Under the terms of the consultation agreement, the former owner or Seller will receive future consulting fees in accordance with the terms of the Agreement based on the performance of the Company.

The Company is involved, from time to time, in some legal disputes incidental to the conduct of its business. Based on consultation with legal counsel, the Company does not believe that any disputes, either individually or in the aggregate, to which the Company is a party will have a material adverse effect on the Company's financial condition or results of operations.

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

Management is currently responding to the existing effects of the global pandemic and planning for the potential future effects that the pandemic may have on the Company's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Company's future financial statements.

NOTE 8 – ITEMS AFFECTING COMPARABILITY OF NET INCOME AND CASH FLOWS

As discussed in Note 1, the Company adopted Topic 606 at the beginning of the year ended December 31, 2020, using the modified retrospective method. Topic 606 was applied to all contracts with customers as of January 1, 2020 and the cumulative effect of this transition was recorded as an adjustment to accumulated deficit as of this date. As a result, the following adjustments were made to the balance sheet as of January 1, 2020:

BALANCE SHEET

	As Reported 12/31/19	Adjustments	Balances with Adoption of Topic 606 1/1/20
ASSETS			
Current Assets:			
Cash	$ 390,308	$ -	$ 390,308
Cash held in escrow - restricted	30,000	-	30,000
Accounts receivable, net	4,624	-	4,624
Inventory	11,143	-	11,143
Total current assets	436,075	-	436,075
Other Assets:			
Goodwill, net	580,000	-	580,000
Total Assets	$ 1,016,075	$ -	$ 1,016,075
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities:			
Accounts payable	$ 7,800	$ -	$ 7,800
Accrued expenses	20,553	-	20,553
Current maturities of deferred franchise fees	30,000	(11,600)	18,400
Holdback liabilities	186,013	-	186,013
Total current liabilities	244,366	(11,600)	232,766
Long-Term Liabilities:			
Deferred franchise fees, net of current	-	128,800	128,800
Total Liabilities	244,366	117,200	361,566
Member's Equity	771,709	(117,200)	654,509
Total Liabilities and Member's Equity	$ 1,016,075	$ -	$ 1,016,075

The Company recorded an increase in the deferred franchise fees liabilities of $117,200 as part of the cumulative adjustment related to unamortized initial franchise fees, with a corresponding adjustment in the same amount to member's equity.

NOTE 8 – ITEMS AFFECTING COMPARABILITY OF NET INCOME AND CASH FLOWS (CONTINUED)

The following tables reflect the impact of Topic 606 on the Company's balance sheet as of December 31, 2020 and on the Company's statement of income for the year ended December 31, 2020:

BALANCE SHEET

	As Reported 12/31/20	Impact	Balances under Legacy GAAP 12/31/20
ASSETS			
Current Assets:			
Cash	$ 12,645	$ -	$ 12,645
Cash held in escrow - restricted	30,000		30,000
Accounts receivable, net	11,862	-	11,862
Total current assets	54,507	-	54,507
Other Assets:			
Goodwill, net	520,000	-	520,000
Total Assets	$ 574,507	$ -	$ 574,507
LIABILITIES AND MEMBER'S EQUITY			
Current Liabilities:			
Accounts payable	$ 15,509	$ -	$ 15,509
Accrued expenses	25,329	-	25,329
Current maturities of long-term debt	16,613	-	16,613
Current maturities of deferred franchise fees	39,400	(9,400)	30,000
Total current liabilities	96,851	(9,400)	87,451
Long-Term Liabilities:			
Long-term debt, net of current maturities	28,348	-	28,348
Deferred franchise fees, net of current	278,400	(278,400)	-
Total long-term liabilities	306,748	(278,400)	28,348
Total Liabilities	403,599	(287,800)	115,799
Member's Equity	170,908	287,800	458,708
Total Liabilities and Member's Equity	$ 574,507	$ -	$ 574,507

The significant impact resulting from the adoption of Topic 606 on the Company's balance sheet as of December 31, 2020, is consistent with those recorded as of January 1, 2020, as described previously.

NOTE 8 – ITEMS AFFECTING COMPARABILITY OF NET INCOME AND CASH FLOWS (CONTINUED)

STATEMENT OF LOSS

	Year ended 12/31/20		
	As Reported	Impact	Balances under Legacy GAAP
Revenue	$ 165,298	$ 155,600	$ 320,898
Cost of Revenue	115,794	-	115,794
Gross Profit	49,504	155,600	205,104
Operating Expenses:			
Amortization	60,000	-	60,000
Brand advertising	41,988	(41,988)	-
Employee benefits	12,133	-	12,133
Office expense and miscellaneous	14,263	-	14,263
Professional fees	105,086	-	105,086
Rent	17,053	-	17,053
Salaries, wages and related	258,108	-	258,108
Technology	16,349	-	16,349
Training	194,148	-	194,148
Travel and meals	6,705	-	6,705
Total operating expenses	725,833	(41,988)	683,845
Loss from Operations	(676,329)	197,588	(478,741)
Other Income (Expense):			
Interest income	46	-	46
Other income	4,268	-	4,268
Interest expense	(1,585)	-	(1,585)
Other income (expense)	2,729	-	2,729
Net Loss	$ (673,600)	$ 197,588	$ (476,012)

Upon the adoption of Topic 606, the timing and amount of revenue recognized from initial franchise fees and costs recognized from incremental contract costs changed from upfront recognition under Legacy GAAP to recognition over the term of the franchise agreement to which the fees and costs relate. Also, under Legacy GAAP, amounts reported as brand building revenue and expenses were presented on a net basis. Upon the adoption of Topic 606, these amounts require gross presentation in the statement of loss.

NOTE 9 – FAIR MARKET VALUE

The Organization measures certain financial assets at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

As of December 31, 2021, fair values of assets consisted of the following:

	Total	(Level 1)	(Level 2)	(Level 3)
Recurring fair value measurements:				
Investment in Kihei, HI	$ 22,385	$ -	$ -	$ 22,385
	$ 22,385	$ -	$ -	$ 22,385

The Company adjusts annually the balance of their investment to match the balance of the investment on their tax statement.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 18, 2022, the date the financial statements were available to be issued.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT E

State Addenda

STATE-SPECIFIC ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND MULTI-UNIT FRANCHISE AGREEMENT

The following modifications are to the Franchise Disclosure Document between Wow Wow Hawaiian Lemonade Franchising, LLC ("Franchisor," "we," "us," or "our") and may supersede certain portions of the Franchise Agreement and (if applicable) Multi-Unit Franchise Agreement between Franchisor and Franchisee ("Franchisee," "you," or "your" dated _______________, 202__.

The provisions of this State Law Addendum to Franchise Disclosure Document, Franchise Agreement, and Multi-Unit Franchise Agreement ("**State Addendum**") apply only to those persons residing or operating Wow Wow Lemonade Stands in the following states:

FOR THE STATE OF CALIFORNIA:

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 FRANCHISE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION.

The Franchise Disclosure Document is hereby amended as follows:

The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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

The Franchise Agreement and Multi-Unit Franchise Agreement provide 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 and Multi-Unit Franchise Agreement contain 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 contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

In California, the maximum interest rate allowed by law is ten percent (10%) annually.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

The financial performance representation does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043). Accordingly, the Compliance Questionnaire attached as Exhibit H to the Franchise Disclosure Document is not required to be completed by California franchisees and in the event you complete the Compliance Questionnaire, we will destroy, disregard, and not rely on such Compliance Questionnaire.

<u>The Franchise Agreement and Multi-Unit Franchise Agreement is hereby amended as follows:</u>

Despite anything to the contrary in the Franchise Agreement and Multi-Unit Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of California:

1. Any condition, stipulation, or provision in the Franchise Agreement and Multi-Unit Franchise Agreement which would result in your waiver of compliance with any provision of the California Franchise Relations Act is void to the extent that such provision violates such act.

2. California Business and Professions Code 20000 through 20043 provide rights to a franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Franchise Agreement contain a provision that is inconsistent with the law, the law will control.

For the purposes of Cal. Bus. & Prof. Code Section 20022, the parties agree as follows:

The parties agree that they will use the declining-balance depreciation method to calculate the value of Franchisee's inventory, supplies, equipment, fixtures, and furnishings (the "Assets") for the purposes of a purchase by us under Section 20022. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.

The parties agree that for the purposes of Section 20022, you are not able to provide to us "clear title and possession" to your Assets if those Assets are subject to liens or encumbrances including: a) purchase money security interest; b) blanket security interest; c) right of first refusal; d) lien by franchisee's landlord; or e) tax lien.

The parties agree that for the purposes of Section 20022(h), our right of offset will include the following amounts owed by you to us or our Affiliates: a) Royalty Fees; b) Advertising Fund Contributions; c) Social Media fees; d) Liquidated Damages; e) Transfer Fees; and f) any other type of fee owed by you to us or our Affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, the parties agree as follows:

> "Fair market value of the franchise assets" means the value of your Assets, valued according to the declining-balance method of depreciation. The purchase price by us for the Assets will not include the cost of removal and transportation of those assets, which will be your responsibility.
>
> "Fair market value of the franchised business" means the "fair market value of the franchise assets" as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of Royalty Fees paid by you to us within the 12-month period immediately before our termination or failure to renew you in violation of the California Franchise Relations Act.

The Compliance Questionnaire is hereby amended as follows:

California Franchisees are not required to complete the Compliance Questionnaire. If any California franchisee completes the Compliance Questionnaire, we will destroy, disregard, and will not rely on such Compliance Questionnaire.

FOR THE STATE OF HAWAII:

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

The Franchise Disclosure Document (Item 5) and Franchise Agreement are amended as follows: Due to our financial condition, the Hawaii Department of Commerce and Consumer Affairs, Business Registration Division, has required us to defer all initial fees until all of our initial obligations to you have been met. All of your initial fees, including your initial franchise fee (if any) will be deferred our initial obligations to you are complete.

FOR STATE OF IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

________________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled. If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Tim Weiderhoft at Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260 or email: aloha@wwlem.com, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: ________________________________

By: ____
____

Print Name: ________________________________

Its: _______________________________________
____

Date: ______________________________________
____

FOR THE STATE OF OHIO:

The following language will be added to the Franchise Agreement and Multi-Unit Franchise Agreement:

> You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

NOTICE OF CANCELLATION

_______________ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to Tim Weiderhoft at Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260 or email: aloha@wwlem.com, not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

you: ____________________________________

By: ____________________________________

Print Name: ______________________________

Its: ____________________________________

Date: ___________________________________

FOR THE STATE OF WASHINGTON:

Due to our financial condition, the Washington State Department of Financial Institutions Securities Division (the "Division") has required us to defer our collection of all initial fees until we have completed our pre-opening obligations to you and you are open for business. Additionally, with respect to each business you open under a Multi-Unit Franchise Agreement, the Division will require that we collect the Multi-Unit Rights Fee proportionally with respect to each franchised business, rather than collecting all amounts in full when you open your first location.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this State Law Addendum as of the Effective Date of the Franchise Agreement / Multi-Unit Franchise Agreement (if applicable) between the parties.

Wow Wow Hawaiian Lemonade Franchising, LLC	Franchisee: ________________________________
By: ______________________________________	By: ______________________________________
Print Name: ______________________________	Print Name: ______________________________
Its: ______________________________________	Its: ______________________________________
Date: ____________________________________	Date: ____________________________________

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT F

Brand Operations Manual Table of Contents

OPERATIONS MANUAL

Table of Contents

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT G

Form of General Release

GENERAL RELEASE

As a condition to Wow Wow Hawaiian Lemonade Franchising, LLC's ("Franchisor") consent to **[grant a Successor Franchise Agreement to] [the proposed transfer of the Franchise Agreement] [permit the development of an additional Wow Wow Lemonade Stand]** by **[name of franchisee]** ("Franchisee") under the **[Franchise Agreement] [Multi-Unit Franchise Agreement]** dated **[date of Franchise or Multi-Unit Franchise Agreement]**, the undersigned, and each of their respective corporate parents, subsidiaries, Affiliates, successors in interest, heirs and assigns, and each of their respective owners, Managers, directors, officers, agents, servants, and employees, as applicable, whether specifically mentioned herein or not, do hereby release, acquit and forever discharge Franchisor and its respective parents, subsidiaries, Affiliates, and successors in interest, and each of their respective directors, officers, agents, servants, employees, whether specifically mentioned herein or not, of and from any and all liability, actions, causes of action, Claims, debts, demands, damages and liabilities to person(s) or property, costs, expenses and compensation of every nature, kind and character whatsoever, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, whether statutory, contract, or in tort on account of or in any way connected with or related to Franchisor's, or Franchisor's Affiliate's, offer, sale, grant of, construction, subleasing, operation of, assistance with operation of, or development of franchises or franchise rights in any and all franchise locations awarded at any time to the undersigned and from the inception of any contact with Franchisor to the date of this Release. It is the express intention of the undersigned that this Release be as broad as permitted by law.

Undersigned represents and warrants that execution hereof is free and voluntary; that no inducements, threats, representations, or influences of any kind were made or exerted by or on behalf of Franchisor; and that, prior to the execution hereof, undersigned was given the opportunity, if desired, to consult with counsel. This Release shall be binding upon the undersigned, their heirs, successors and legal representatives. Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require. This Release may not be changed orally.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS AND OWNERS / MANAGERS / SHAREHOLDERS AND A DULY AUTHORIZED OFFICER MUST EXECUTE THIS RELEASE (Attach Additional Sheets if Necessary).

By: ___________________________

Name: ________________________

State of _______________)
) ss.
County of _____________________)

This instrument was acknowledged before me on __________________, _______ by ____________
____

Notary Public __________________
My Commission Expires:_________

By: ___________________________

Name: ________________________

State of ___________________)
) ss.
County of _____________________)

This instrument was acknowledged before me on __________________, _______ by ____________
____

Notary Public __________________
My Commission Expires:_________

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT H

Compliance Questionnaire

COMPLIANCE QUESTIONNAIRE

As you know, Wow Wow Hawaiian Lemonade Franchising, LLC and you are preparing to enter into a Franchise Agreement and, if applicable, Multi-Unit Franchise Agreement (the "Agreement" or, if applicable, "Agreements"). In this questionnaire, Wow Wow Hawaiian Lemonade Franchising, LLC will be referred to as "we" or "us." Please review each of the following questions carefully and provide honest and complete responses to each question. **If the answer you give calls for a written explanation and there is not enough room in the space we provide on this questionnaire to give a complete written explanation, please attach additional pages as necessary.**

California Franchisees are not required to complete the Compliance Questionnaire. If any California franchisee completes the Compliance Questionnaire, we will destroy, disregard, and will not rely on such Compliance Questionnaire.

1. Have you received, studied and reviewed carefully the Franchise Disclosure Document and Agreement(s)? Check one: (__) Yes (__) No

2. Do you understand all of the information contained in the Agreement(s) and each Addendum and schedule attached to it or them? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the Agreements do you not understand? (Attach additional pages, if necessary).

   ____

   ____

3. Do you understand all of the information contained in the Franchise Disclosure Document and each addendum attached to it? Check one: (__) Yes (__) No

   If your answer is "No," what parts of the Franchise Disclosure Document do you not understand? (Attach additional pages, if necessary).

   ____

   ____

   ____

4. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a business as a Wow Wow Hawaiian Lemonades® franchise, or have you made the decision not to consult with one? Check one: (__) Yes (__) No

5. Has any employee or other person speaking on our behalf made any statement or promise that is contrary to, or different from, the information contained in the Franchise Disclosure Document? Check one: (__) Yes (__) No.

   If your answer to question 5 is "Yes," please describe the statement or promise: (Attach additional pages, if necessary).

   ____

   ____

6. Was any oral, written or visual claim or representation made to you that stated, suggested, predicted or projected your sales, expenses, income or profit levels or that of any actual or hypothetical franchise business, other than as set forth in Item 19 of the Franchise Disclosure Document? Check one: (__) Yes (__) No.

   If your answer is "Yes," please describe the oral, written or visual claim or representation made to you: (Attach additional pages, if necessary).

   ____
   ____

7. Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, the hours you will work, your location, the local market for Wow Wow Hawaiian Lemonades® products and services, interest rates, the economy, inflation, the prevailing wage rate, competition, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your business may change? Check one: (__) Yes (__) No.

   If your answer is "No," please describe your understanding of what the success or failure of your business will depend upon: (Attach additional pages, if necessary).

   ____
   ____

8. Have any of our employees or any other persons speaking on our behalf made any statement, promise or agreement concerning the likelihood of success that you should or might expect to achieve from operating a Wow Wow Hawaiian Lemonades® franchise? Check one: (__) Yes (__) No.

   If your answer is "Yes," please describe the statement, promise, or agreement: (Attach additional pages, if necessary).

   ____
   ____
   ____
   ____
   ____

9. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No

   If your answer is "Yes," please describe the statement, promise, or agreement: (Attach additional pages, if necessary).

   ____
   ____
   ____

10. Have any of our employees or any other persons speaking on our behalf made any statement, agreement or promise to you concerning the costs you may incur in operating a Wow Wow franchise that is contrary to, or different from, the information contained in the FDD? Check one: (__) Yes (__) No.

If your answer is "Yes," please describe the statement, promise, or agreement: (Attach additional pages, if necessary).

____

____

11. Do you understand that there may be national, regional, state, or local laws or regulations applying to the operation of a Wow Wow Hawaiian Lemonades® franchise (either specifically or generally), and that, as a franchisee, you are fully responsible as an independent business owner for learning about and complying with these laws? Check one: (__) Yes (__) No

If your answer is "No," please describe your understanding regarding legal compliance: (Attach additional pages, if necessary).

____

____

____

____

12. Have we or any of our employees or any other persons speaking on our behalf made any oral, written, visual or other promises, agreements, commitments, representation, understandings, "side agreements" or otherwise that expand upon or are inconsistent with FDD or the Agreement(s), or any attached written addendum signed by you and an officer of ours? Check one: (__) Yes (__) No

If your answer is "Yes," please describe the promises, agreements, commitments, representation, understandings, "side agreements" or other expansion: (Attach additional pages, if necessary).

____

____

____

____

13. Have we or any of our employees or any other persons speaking on our behalf made any statements to you regarding the financial condition of our parent company or any of our affiliated companies? Check one: (__) Yes (__) No

If your answer is "Yes," have you relied on the statement(s) regarding the financial condition of any of our affiliated companies in deciding whether to purchase a franchise from us? Check one: (__) Yes (__) No.

If your answer to either of the above questions is "Yes," please describe the statements you received or heard regarding the financial condition of our parent or any of our affiliated companies: (Attach additional pages, if necessary).

____

____

____

____

14. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the Wow Wow Hawaiian Lemonades® brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages and other compensation (including benefits), training, supervision and termination of your employees and all other employment and employee related matters? Check One: (__) Yes (__) No. If no, please comment:

____
____

15. Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws? Check one: (__) Yes (__) No

16. Which of our representatives have you met with?

____
____
____
____

[Signature Page to Follow]

By signing below, you are acknowledging that you understand that your answers are important and that we will rely on them, and that you have responded truthfully to the above questions. Nothing in this questionnaire shall disclaim or require you to waive reliance on any representation that we made in the Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you in connection with this franchise offering, or to waive any of your rights under Applicable Law.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, EACH OF ITS PRINCIPALS MUST EXECUTE THIS ACKNOWLEDGMENT (Make Additional Copies if Necessary).

By: ______________________________ Address: ______________________________
____

Name: ______________________________ Telephone: ______________________________

State of ____________________)
) ss.
County of ____________________)

This instrument was acknowledged before me on __________, ____ by ___________

Notary Public ______________________________
My Commission Expires: ____________________

By: ______________________________ Address: ______________________________
____

Name: ______________________________ Telephone: ______________________________

State of ____________________)
) ss.
County of ____________________)

This instrument was acknowledged before me on __________, ____ by ___________

Notary Public ______________________________
My Commission Expires:

<u>WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC</u>

EXHIBIT I

Form of Confidentiality and Non-Compete Agreement

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS CONFIDENTIALITY AGREEMENT AND COVENANT NOT TO COMPETE ("**Agreement**") is made and entered into this _________ day of ________________________, 201__, between ("**Franchisee**"); and ___________________________ ("**You**").

WHEREAS, Franchisee has entered into a Franchise Agreement with Wow Wow Hawaiian Lemonade Franchising, LLC ("**Wow Wow**"); and

WHEREAS, You are an Owner, Manager, principal, independent contractor, officer, director, or an entity affiliated with, or providing products or services to Franchisee; and

WHEREAS, as a result of Your relationship with Franchisee, You will have access to certain confidential and proprietary information of Wow Wow;

NOW, THEREFORE, in consideration of the foregoing and in order to induce Wow Wow to enter into, or to continue, a relationship with Franchisee, the parties hereby agree as follows:

1. **Wow Wow Is Third Party Beneficiary**. Franchisee and You acknowledge and agree that this Agreement is made for their mutual benefit and for the benefit and protection of Wow Wow, which is an intended third party beneficiary of this Agreement with rights to enforce the remedies provided herein.

2. **Confidential Information**. It is understood that as a result of Your position or relationship with Franchisee, You will be afforded access to confidential and/or proprietary information of Wow Wow. In consideration of Wow Wow's agreement to enter into and continue its business relationship with Franchisee and to continue to make available to Franchisee and You information, including confidential and/or proprietary information, relating to Wow Wow and its business and operations, You agree not to disclose, furnish, divulge, communicate, or otherwise directly or indirectly use any of the confidential and/or proprietary information of Wow Wow (including without limitation sales and marketing methods and data, operating and other business data, computer programs, recipes, trade secrets, business plans, advertising and promotional methods, financial information and data, product information, information regarding current or prospective Customers, other Franchisees, agencies, Vendors/Suppliers, and other related information) (hereinafter, "**Confidential Information**"), other than strictly incidental to, and solely in furtherance and within the scope of, Franchisee's relationship with Wow Wow and Your employment or business relationship with Franchisee, which obligation applies at all times during and following Your employment or relationship with Franchisee, regardless of the manner in which such employment or relationship ends or the reason therefore. "Confidential Information" shall not include information which (a) at or prior to the time of receipt was in the public domain; (b) at or prior to the time of receipt by Franchisee or the signing of the Franchise Agreement, whichever occurred first, was known to Franchisee and in actual commercial use by Franchisee or generally within the insurance Industry, in the manner and combination disclosed; or (c) is subsequently received by Franchisee or You from an independent third party not in breach of any duty of nondisclosure, secrecy, nonuse or similar duty, but only to the extent and in the form, manner and combination so disclosed.

You agree not to make any copies of, reproductions of, or extracts of any Confidential Information of Wow Wow except strictly incidental to, and solely in furtherance and within the scope of, Franchisee's relationship with Wow Wow and Your employment or business relationship with Franchisee. Upon termination of the Franchise Agreement (or of Your relationship with Franchisee, as the case may be), for any reason, You must return all lists, printouts, memoranda, reports, surveys, studies, notes, letters and all other documents then in Your possession or under Your control containing or relating to any Confidential Information, whether in paper, digital, or other form or medium, without retaining any copies or reproductions thereof in any form.

If You receive a subpoena or any other form of legal process seeking to compel the production of any Confidential Information, You will immediately provide Franchisee and Wow Wow with written notice of the receipt of such subpoena or process and a copy thereof, and will cooperate with Franchisee and Wow Wow in any action they take to oppose the production of Confidential Information or to obtain a protective order. Written notice to Wow Wow shall be given to its President.

3. **Covenant Not to Compete**. While the Franchise Agreement is in effect and while You maintain a relationship with Franchisee, You shall not, engage in any activity which competes directly or indirectly with Wow Wow in any state in which Wow Wow is doing business or in which it has current plans to begin business, except with the written permission of Wow Wow. If the Franchise Agreement is terminated or if Your relationship with Franchisee is terminated for any reason, You shall be prohibited for a period of three (3) years from the date of such termination, and within thirty (30) miles of: (a) the Protected Area where the Franchisee is located; or (b) any other Wow Wow Lemonade Stand that is then open or under development, from:

(a) Directly or indirectly soliciting Wow Wow's Franchisees;

(b) Inducing, advising, suggesting or attempting to influence directly or indirectly anyone affiliated with Wow Wow's Franchisees to terminate employment or establish a professional relationship with another person or entity; and

(c) Directly or indirectly participating in or being connected in any manner with the ownership, management or operation of any business or entity that competes with Wow Wo, in offering or selling personal care products.

4. **Non-solicitation**. While the Franchise Agreement is in effect, and for three (3) years after its expiration or termination, You shall not, without prior written permission of Wow Wow, directly or indirectly:

(a) Employ or attempt to employ any Person who at that time is employed, or within the prior six months has been employed by Wow Wow, Franchisee, or any Affiliate of either, or any other Franchisee of Wow Wow.

(b) Induce or attempt to induce any Person to leave employment with Wow Wow, Franchisee, or any Affiliate of either, or any other Franchisee of Wow Wow.

5. **Breach of Agreement**. You acknowledge and agree that Your violation or breach of the "Covenant Not to Compete," disclosure of "Confidential Information," or the "Non-solicitation" provisions, as provided herein by this Agreement will cause irreparable injury to Wow Wow for which there is no adequate remedy at law. Accordingly, You agree that in the event of any breach or violation of this Agreement, Wow Wow shall be entitled to enforce this Agreement by injunctive and any other equitable relief in any court of competent jurisdiction. Such relief shall be in addition to other remedies available at law, including without limitation, recovery of damages. You agree to comply with a judgment forbidding You from violating these provisions in the event there is a finding of breach. In addition, Wow Wow shall be entitled to recover all costs including, without limitation, reasonable attorney's fees associated with any legal action arising out of Your breach of any of the provisions of this Agreement.

If any phrase, clause or provision of this Agreement is declared invalid or unenforceable by a court of competent jurisdiction, such phrase, clause or provision shall be deemed severed from this Agreement, but will not affect any other provisions of this Agreement, all of which shall otherwise remain in full force and effect.

You acknowledge and agree that the restrictions set forth herein are reasonable, in terms of scope, duration, geographic area, and otherwise that the protections afforded to Wow Wow hereunder are necessary to protect its legitimate business interests.

6. **Choice of Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Nevada, without respect to its conflict of laws principles.

Wow Wow Hawaiian Lemonade Franchising, LLC	Franchisee: ______________________________
By: ____________________________________	By: ____________________________________
Print Name: ______________________________	Print Name: ______________________________
Its: ____________________________________	Its: ____________________________________
Date: ____________________________________	Date: ____________________________________

<u>WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC</u>

EXHIBIT J

Regional Developer Disclosures

EXHIBIT J
REGIONAL DEVELOPER DISCLOSURES

Our current regional developers, and their respective territories, are listed below. We also list their additional disclosures for Items 2, 3, and 4 of the Franchise Disclosure Document.

None Currently.

WOW WOW HAWAIIAN LEMONADE FRANCHISING, LLC

EXHIBIT K

State Effective Dates; Franchise Disclosure Document Receipts

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:

California Effective Date: May 13, 2022
Hawaii Effective Date: August 9, 2022
Illinois Effective Date: ____________________
Indiana Effective Date: ____________________
Maryland Effective Date: __________________
Michigan Effective Date: __________________
Minnesota Effective Date: _________________
New York Effective Date: _________________
North Dakota Effective Date: _______________
Rhode Island Effective Date: _______________
South Dakota Effective Date: _______________
Virginia Effective Date: ___________________
Washington Effective Date: ________________
Wisconsin Effective Date: _________________

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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 Wow Wow Hawaiian Lemonade Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa or New York law, if applicable, Wow Wow Hawaiian Lemonade Franchising, LLC must provide this disclosure document to you at your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires Wow Wow Hawaiian Lemonade Franchising, LLC to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wow Wow Hawaiian Lemonade Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Tim Weiderhoft, Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260; Phone: 520-276-7716. Insert name and address of other franchise seller below (**franchisor:** attach additional pages if necessary):

____

Issuance Date: April 18, 2022, amended October 14, 2022

See Exhibit A for Wow Wow Hawaiian Lemonade Franchising, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated April 18, 2022, amended October 14, 2022 that included the following Exhibits:

A. List of State Agencies/Agents for Service of Process
B. Franchise Agreement
C. Multi-Unit Franchise Agreement
D. Financial Statements
E. State Addenda
F. Brand Operations Manual Table of Contents
G. Form of General Release
H. Compliance Questionnaire
I. Confidentiality and Non-Compete Agreement
J. Regional Developer Disclosures
K. State Effective Dates; Receipts

____________	____________________	____________________
Date	Signature	Printed Name
____________	____________________	____________________
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Tim Weiderhoft, Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260; Phone: 520-276-7716.

RECEIPT

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 Wow Wow Hawaiian Lemonade Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa or New York law, if applicable, Wow Wow Hawaiian Lemonade Franchising, LLC must provide this disclosure document to you at your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires Wow Wow Hawaiian Lemonade Franchising, LLC to give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Wow Wow Hawaiian Lemonade Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of each franchise seller offering the franchise: Tim Weiderhoft, Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260; Phone: 520-276-7716. Insert name and address of other franchise seller below (**franchisor:** attach additional pages if necessary):

____

Issuance Date: April 18, 2022, amended October 14, 2022

See Exhibit A for Wow Wow Hawaiian Lemonade Franchising, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated April 18, 2022, amended October 14, 2022 that included the following Exhibits:

A. List of State Agencies/Agents for Service of Process
B. Franchise Agreement
C. Multi-Unit Franchise Agreement
D. Financial Statements
E. State Addenda
F. Brand Operations Manual Table of Contents
G. Form of General Release
H. Compliance Questionnaire
I. Confidentiality and Non-Compete Agreement
J. Regional Developer Disclosures
K. State Effective Dates; Receipts

____________	____________________	__________________
Date	Signature	Printed Name
____________	____________________	__________________
Date	Signature	Printed Name

Please sign both copies of the receipt and date your signature. Please retain one copy for your records, and return the other copy to Tim Weiderhoft, Wow Wow Hawaiian Lemonade Franchising, LLC, 14301 N. 87th Street, Suite 209, Scottsdale, Arizona 85260; Phone: 520-276-7716.