

FRANCHISE DISCLOSURE DOCUMENT

 ELITE PRODUCE	Elite Produce, LLC 251 Renner Pkwy. Richardson, TX 75080 (972) 402-9498 FranchiseSalesTeam@gbcfoodsolutions.com https://www.gbcfoodsolutions.com/
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The franchise is for an Elite Produce kiosk utilizing the trade name, Elite Produce. The total investment necessary to begin operation of an Elite Produce franchise is \$22,120 to \$228,720, which includes \$12,300 to \$107,100 payable to us or our affiliates.

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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosure in different formats, contact FranchiseSalesTeam@gbcfoodsolutions.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: May 29, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION IN THIS DOCUMENT
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 and Exhibit E .
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 of the Franchisor. 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 Elite Produce 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 an Elite Produce Franchisee?	Item 20 and Exhibit E list 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.
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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees to the Franchisor, even if your franchise is 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 that 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 D**.

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**” in this document.

Special Risks to Consider About *This Franchise*

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

Out-of-State Dispute Resolution. The Franchise Agreement requires you to resolve disputes with the Franchisor by mediation, arbitration and/or litigation only in Texas. 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 Texas than in your own state.

Short Operating History. The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Mandatory Minimum Payments. You must make minimum management fee payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the Franchisor, its affiliates, or suppliers that the Franchisor designates, at prices the Franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

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

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.

ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT

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

The Franchisor is Elite Produce, LLC, referred to in this disclosure document as “Franchisor”, “Elite”, “we”, “us” or “our.” We refer to the person interested in buying a franchise as “Franchisee”, “you” or “your.” If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement will apply to your entity’s owners. These will be addressed in this disclosure document where appropriate.

The Franchisor:

We are a Delaware limited liability company formed on January 27, 2026. Our principal offices are located at 251 Renner Pkwy., Richardson, Texas 75080 and our telephone number is (972) 402-9498. Our agents for service of process are listed in **Exhibit B**.

We do business under our company name, under the name Elite Produce, and under the Proprietary Marks (as defined below).

We do not own or operate any Produce Kiosks (defined below) ourselves as of the date of this Disclosure Document. We began offering franchises for the operation of Produce Kiosks in May 2026 with the issuance of this Disclosure Document. As of the end of our last fiscal year, there were 0 Produce Kiosks. We have not offered franchises in any other line of business.

Our Parents, Predecessors and Affiliates:

We do not have any parents or predecessors required to be disclosed in this Disclosure Document.

Our affiliate, Fresh Food Concepts, LLC (“**FFC**”) (formerly GBC Food Services, LLC), has offered sushi kiosk franchises (brand name Yummi Go Gourmet) kiosk franchises since 2019. FFC has no other lines of business outside its sushi kiosk franchises. As of the end of our last fiscal year, there were 560 Yummi Go Gourmet Kiosks. FCS shares our principal business address at 251 Renner Pkwy., Richardson, Texas 75080.

Our affiliate, Supreme Service Solutions, (“**SSS**”) has offered deli kiosk franchises (brand name Supreme Deli) and cut vegetable and produce-preparation (brand name Supreme Produce) kiosk franchises since August 2022 and August 2023, respectively. SSS has no other lines of business outside its kiosk franchises. As of the end of our last fiscal year, there were 591 Supreme Produce Kiosks and 11 Supreme Deli Kiosks. SSS’s shares our principal business address at 251 Renner Pkwy., Richardson, Texas 75080. See Item 12.

The Franchise Offered:

We offer qualified applicants a franchise arrangement for a unique and distinctive system (the “System”) relating to the establishment and operation of food kiosks/workspaces (“Produce Kiosks”) which prepare and sell cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products (in such combination as Franchisor may determine is appropriate) utilizing the trade name, Elite Produce. Produce Kiosks are generally located at the premises of third-parties (the “Hosts”), located at third-party locations, typically upscale supermarkets (“Host Locations”) that in most instances are sourced by us and under leases, licenses or other rights to occupy such Host Location (“Occupancy Agreements”). At the Produce Kiosks, Franchisees (as defined below) prepare their dishes daily and such products are professionally displayed in ready-to-go containers for the Franchisee’s customers to purchase

through the establishment's point of sale infrastructure, either to take with them or to consume at the establishment's shared common areas.

We offer franchise agreements ("Franchise Agreements") which grant the right to construct, own and operate one Produce Kiosk at a designated site for an initial term of 1 year. Our form of Franchise Agreement is attached to this Disclosure Document as Exhibit A.

Prospective franchisees are typically individuals wanting to own and operate a franchised food service kiosk restaurant. Prospective franchisees do not typically have prior experience in the restaurant or food service business sector.

Franchisees may serve approved products and services to any potential customer that desires to purchase products from their Produce Kiosk.

General Market; Competition:

The market for food kiosk services is well established. The food service business is highly competitive based on price, service, location and food quality, and is often affected by changes in consumer tastes, economic conditions, population, traffic patterns and the customer base of the Host Location. Produce Kiosks will compete in each market with locally owned restaurants and other kiosks, as well as with national and regional restaurants.

Industry Specific Regulations:

The restaurant and foodservice industry is heavily regulated in the United States by federal, state, and local governments.

The Affordable Care Act of 2010 and regulations issued by the U.S. Food and Drug Administration (the so-called "menu labeling rule") require covered retail foodservice establishments, including those that are part of a chain of 20 or more units, to disclose to consumers, on menu boards, online ordering platforms, and otherwise, certain nutritional information regarding menu items.

Other laws have particular applicability to restaurants and other retail foodservice establishments, including food safety and health and sanitation laws. Many states and municipalities also require specific licensure or training in sanitation and safety laws before permitting a restaurant or food service business to serve the public.

Recently, some cities have enacted laws that impose specific burdens targeted on restaurants and other retail foodservice establishments that serve foods or beverages that are high in sugar and/or salt. Such cities may require restaurants operating in their jurisdiction to pay additional taxes on the sale of sugar sweetened beverages and/or may require restaurants or other retail foodservice establishments to warn consumers of high-sodium menu items.

Some states and cities also require that restaurants and other retail food establishments provide information to consumers about food allergens.

Many states and cities also regulate foodware and foodservice packaging items. Some cities ban plastic straws and other single-use items. Some states also now require a certain amount of post-consumer recycled content or restrict or prohibit the use of certain types of Styrofoam and plastic. Additionally, state extended producer responsibility laws could ultimately place reporting and other obligations on restaurant chains that distribute branded items.

The Food and Drug Administration finalized a rule in late 2022 that would impose traceability requirements on a wide range of food establishments, including some restaurants. The rule was originally set to go into effect on January 1, 2026. However, the FDA delayed enforcement of the rule until July 20, 2028. As currently drafted, the rule would impose significant recordkeeping requirements on regulated entities, and such entities will need to train employees to understand how to comply with the new requirements.

Some states also have extended producer responsibility (EPR) laws in place that encompass food service ware and/or food packaging materials. Franchisees and licensees may be responsible for payments due to fees and other costs that we or our affiliates incur directly or indirectly in connection with these laws, either on behalf of franchisees, licensees, or other entities. There are also reporting obligations and other obligations imposed by EPR laws that may impact franchisees and licensees. Additionally, as part of an EPR law, a companion law, or a separate law, some states now impose, or may in the future impose, other obligations in connection with food service ware and/or food packaging materials, including, but not limited to, recyclability, composability, and/or minimum post-consumer recycled content requirements that may impact franchisees and licensees.

To operate the Produce Kiosk, you will need to determine and understand the laws that apply in your geographic area and then implement compliance procedures, as needed, to ensure your Produce Kiosk's full compliance with applicable laws and regulations.

Many of the laws that apply to business generally, like the Americans with Disabilities Act, federal wage and hour laws, and the Occupation, Health and Safety Act, also apply to restaurants and other retail foodservice establishments. Your development and operation of the Produce Kiosk will also be subject to compliance with applicable zoning, land use and environmental regulations as well as federal and state minimum wage laws governing such matters as working conditions, overtime and tip credits and other employee matters. It is likely that a significant number of your Produce Kiosk's food service and preparation personnel will be paid at rates related to the federal minimum wage and, accordingly, further increases in the federal, state or local minimum wage will affect your labor costs.

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

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Produce Kiosk in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2 **BUSINESS EXPERIENCE**

Katie Aung

Executive Chairman and Co-Founder

Katie Aung has served as Co-Founder and Executive Chairman of us since January 2026 and of SSS and FFC since November 2023, all in Richardson, Texas. From January 2011 to November 2023, Katie was FFC's Co-CEO in Richardson, Texas. From November 2021 to November 2023, Katie was our Co-CEO in Richardson, Texas.

Thein Aung

Co-Founder and Chief Executive Officer

Thein Aung has served as Chief Executive Officer and as Co-Founder of us since January 2026 and of SSS and FFC since November 2023, all in Richardson, Texas. From January 2011 to November 2023, Thein was FFC's Co-CEO in Richardson, Texas. From November 2021 to November 2023, Thein was our Co-CEO in Richardson, Texas.

Scott Bova

President

Scott Bova has served as President of us since January 2026 and of SSS and FFC since November 2024, all in Richardson, Texas. From March 2020 to November 2024, Scott was the Global Vice President of Merchandising Operations for Whole Foods Market Inc. in Austin, Texas.

James Balistriere

Senior Vice President of Operations and Merchandising

James Balistriere has served Senior Vice President of Operations and Merchandising of us since January 2026 and of SSS and FFC since October 2023, all in Richardson, Texas. From 2017 to September 2023, James was Business Development Manager II for Central Market in Dallas, Texas.

Van Nawl

Vice President of Operations

Van Nawl has served as Vice President of Field Operations of us since January 2026 and of SSS and FFC since October 2023, all in Richardson, Texas. Van served as FFC's Logistics & Purchasing Manager from 2016 to September 2023 in Richardson, Texas.

Sean Clark

Senior Vice President of Finance and Accounting

Sean Clark has served as Senior Vice President of Finance and Accounting of us since January 2026 and of SSS and FFC since January 2026, all in Richardson, Texas. Sean served as a Financial Operations Consultant with Bridgepoint Consulting from June 2024 to January 2026 in the Dallas-Fort Worth Metroplex. Sean served as the Director of Finance for CertainPath from March 2022 to June 2024 in Addison, Texas. Sean was the Senior Vice President, Finance Executive for Marquis Software Solutions, Inc. in Plano, Texas from October 2017 to March 2022.

Lisel Ramirez

Senior Compliance Manager

Lisel Ramirez has served as Senior Compliance Manager of us since January 2026 and of SSS and FFC since December 2023, all in Richardson, Texas. Lisel served as Office & Facilities Manager for SSS and FFC from 2021 to December 2023.

Dawn Langhoff

Vice President of Quality Assurance and Compliance

Dawn Langhoff has served as Vice President of Quality Assurance and Compliance of us since January 2026 and of SSS and FFC since January 2026, all in Richardson, Texas. Dawn served as Senior Director of Quality Assurance for SSS and FFC from April 2024 to January 2026 in Richardson, Texas. Dawn served as Director of Regulatory Compliance, Research, and Product Development at Ameripack Foods, LLC from September 2023 to March 2024 in Hughes Springs, Texas. Dawn served as Director of Regulatory Compliance at Ameripack Foods, LLC. From August 2020 to July 2022 in Hughes Springs, Texas.

ITEM 3 **LITIGATION**

Litigation Involving the Franchisor

None

Litigation Involving Affiliates

Pending Matters

Angela Diaz v. Yummi Sushi, et al (Case No.: 24STCV24704). Class Action Complaint (the “Class Action”) filed by Angela Diaz, on behalf of herself and all other similarly situated, in the Superior Court of the State of California for the County of Los Angeles on September 24, 2024, which alleges employee misclassification and violations of wage, hour, and employee benefit laws under the California Business and Professions Code, the California Labor Code, and California Wage Order 5 by FFC, formerly known as GBC Food Services, LLC, and doing business as Yummi Sushi. As of the issuance date of this Franchise Disclosure Document, the parties to the Class Action have reached a settlement in mediation, and the settlement agreement remains subject to court approval, which has not yet been obtained.

Concluded Matters

In the Matter of Determining Whether there has been a violation of the Franchise Investment Protection Act of Washington by: Supreme Service Solutions, Inc. d/b/a Supreme Produce; and GBC Food Services, LLC (Order No.: S-25-4105-25-CO01). Proceeding filed by the State of Washington Department of Financial Institutions Securities Division (the “Securities Division”) concluded that, between June 19, 2024 through September 2, 2025, we and GBC, violated the Washington Franchise Investment Protection Act (the “WFIPA”) by circulating promotional advertisements and information with respect to Supreme Produce franchises that constituted the offer or sale of franchises in the state of Washington which (i) occurred while we were not registered to sell Supreme Produce franchises in the state of Washington; (ii) violated a previous consent order that GBC entered into with the Securities Division on August 31, 2021, and a previous consent order that we entered into with the Securities Division on July 16, 2025, as both are described in further detail below; and (iii) failed to disclose that Supreme Produce franchises were not registered in the state of Washington. On November 25, 2025, we executed a consent order (the “Consent Order”) with the Securities Division whereby we and our Affiliate agreed to (i) cease and desist from offering or selling franchises in violation of WFIPA; (ii) cease and desist from violating the franchise disclosure section of the WFIPA; (iii) pay a civil monetary penalty in the amount of \$25,000 (with respect to us); (iv) pay a civil monetary penalty in the amount of \$25,000 (with respect to GBC); (v) pay

investigative costs in the amount of \$1,000 (with respect to us); and (vi) pay investigative costs in the amount of \$1,000 (with respect to GBC).

In the Matter of The Securities Commissioner of Maryland v. Supreme Service Solutions, Inc., doing business as Supreme Deli. Administrative Proceeding filed by the State of Maryland Securities Commissioner (the “Securities Commissioner”) concluded that, on August 4, 2023 and again on August 29, 2024, we violated the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”) by entering into a written independent contractor agreement that constituted a franchise without (i) first providing such prospective franchisee with a franchise disclosure document prior to executing the written agreement and (ii) registering with the Securities Division of the Office of the Attorney General of Maryland (the “Securities Division”). On September 17, 2025, we executed a Consent Order (the “Consent Order”) with the Securities Commissioner, whereby we agreed to (i) cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) send to the franchisee a rescission offer, notifying the franchisee that they are being offered an opportunity to immediately rescind their agreement under the terms of the Consent Order; and (iii) pay a civil monetary penalty in the amount of \$1,000.

In the Matter of Determining Whether there has been a violation of the Franchise Investment Protection Act of Washington by: Supreme Service Solutions, Inc. d/b/a Supreme Deli (Order No.: S-25-3972-25-CO01). Proceeding filed by the State of Washington Department of Financial Institutions Securities Division (the “Securities Division”) concluded that we violated the Washington Franchise Investment Protection Act (the “WFIPA”) on or about March 29, 2024 by offering and selling an unregistered franchise to a Washington resident and failing to provide a franchise disclosure document to the prospective franchisee prior to such sale. On July 16, 2025, we entered into a Consent Order whereby we agreed to cease and desist from violating the relevant provisions of the WFIPA and pay investigative costs of \$1,500.

In the Matter of GBC Food Services, LLC, d/b/a Yummi Sushi, Yummi Sauces, Toshimi, Calmon, and Sushi Sara. Administrative Proceeding filed by the State of Maryland Securities Commissioner (the “Securities Commissioner”) concluding that, between April 2022 and May 2024, we violated the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”), by entering into five (5) franchise agreements with three (3) individuals who are Maryland residents without (i) being registered with the Securities Division of the Office of the Attorney General of Maryland (the “Securities Division”) to offer and sell franchises, and (ii) providing such franchisees with a franchise disclosure document prior to the offer and sale of a GBC franchise. On October 29, 2025, we executed a Consent Order (the “Consent Order”) with the Securities Commissioner, whereby we agreed to (i) cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) provide an unconditional refund of the initial start-up fee and renewal fee that any Maryland franchisee paid GBC; (iii) send to each of the Maryland franchisees a copy of the Consent Order and a cover letter advising that such Maryland franchisee is not subject to the non-compete and any other post-termination provisions under the franchise agreement such Maryland franchisee signed and that we are paying the aforementioned refund in settlement of an administrative proceeding that the Securities Division may bring; and (iv) remit to the Securities Division a civil monetary penalty in the amount of \$1,500.

In the Matter of the State of Washington Department of Financial Institutions Securities Division v. GBC Food Services, LLC d/b/a Yummi Sushi (Order No. S-25-3964-25-CO01). Proceeding filed by the State of Washington Department of Financial Institutions Securities Division (the “Securities Division”) concluded that GBC violated (i) the Washington Franchise Investment Protection Act (the “WFIPA”) and (ii) the previous Consent Order (the “Initial Consent Order”) dated August 31, 2021, by offering for sale and selling at least 144 unregistered Yummi Sushi franchises to residents of the State of Washington, during the period of time where GBC’s franchise registration with the State of Washington had lapsed, constituting unauthorized sales of franchises within the State of Washington without required disclosure. The Securities

Division also concluded that GBC violated the anti-fraud provisions of WFIPA by omitting material facts to franchisees. On October 7, 2025, GBC executed a second Consent Order (the “Second Consent Order”) with the Securities Division, whereby we agreed to (i) cease and desist from the offer and sale of franchises in violation of the WFIPA, (ii) pay a civil penalty of \$20,000, and (iii) pay all investigative costs consisting of \$5,000 to the Securities Division.

In the Matter of the Commissioner of Financial Protection and Innovation v. GBC Food Services, LLC, doing business as Yummi Sushi, Yummi Sauces, Toshimi, Calmon, and Sushi Sara. Administrative proceeding filed by the State of California Department of Financial Protection and Innovation (the “DFPI”) concluding that, between January 1, 2020 to February 12, 2024; and April 20, 2024 to January 13, 2025 (the “Unregistered Period”), GBC violated the California Franchise Investment Law (the “FIL”) by entering into written independent contractor agreements that constituted franchises with approximately 46 prospective franchisees without first providing such prospective franchisees with a franchise disclosure document prior to executing the written agreements. GBC executed the DFPI’s initial Consent Order on October 18, 2024 (as explained below in *Commissioner of Financial Protection and Innovation’s Investigation of GBC Food Service, LLC., doing business as Yummi Sushi, Yummi Sauces, Toshimi, Calmon, and Sushi Sara* (the “Initial Consent Order”). On July 8, 2025, GBC executed a new Consent Order with the DFPI, which incorporated and was supplemented by the Initial Consent Order, whereby GBC agreed to cease and desist from the offer and sale of franchises in violation of the FIL and to pay a reduced administrative penalty in the amount of \$13,800 for our cooperation with the DFPI and our self-reporting.

Commissioner of Financial Protection and Innovation’s Investigation of GBC Food Services, LLC, doing business as Yummi Sushi, Yummi Sauces, Toshimi, Calmon, and Sushi Sara. Administrative investigation by the State of California Department of Financial Protection and Innovation (the “DFPI”) alleging that, between 2020 and February 12, 2024, we violated the California Franchise Investment Law (the “FIL”) by entering into written independent contractor agreements that constituted franchises with approximately 36 prospective franchisees without first providing such prospective franchisees with a franchise disclosure document prior to executing the written agreements. The DFPI found that we offered and sold at least 36 Yummi Sushi franchises in California without being registered with the Commissioner or exempt. On August 19, 2024, the DFPI issued its settlement offer letter to us (no case citation or number included on the letter), providing timelines for accepting the settlement offer of \$180,000 or submitting mitigating or exculpatory facts or circumstances to the DFPI for further consideration. We submitted mitigating facts and circumstances and subsequently agreed to pay a fine in the amount of \$54,000. We executed the DFPI’s Consent Order on October 18, 2024, agreeing to the fine amount and agreeing to cease and desist from violating California Franchise Investment Law and Corporations Code. Pursuant to the Consent Order, we additionally agreed to attend remedial education with respect to its business and engage an independent monitor to consult us with respect to its continued compliance with the FIL.

In the Matter of Determining Whether there has been a violation of the Franchise Investment Protection Act of Washington by: GBC Food Services, LLC d/b/a Yummi Sushi. Administrative Proceeding filed by the Washington Securities Division of the Department of Financial Institutions against GBC (Order No.: S-21-3158-21-CO01) alleging that, between 2019 and 2021, GBC violated the Washington Franchise Investment Protection Act (the “WFIPA”) by entering into written independent contractor agreements that constituted franchises with approximately forty-five (45) residents of Washington without providing such residents with a franchise disclosure document prior to executing the written agreements. On August 25, 2021, GBC entered into a Consent Order whereby it agreed to cease and desist from violating the WFIPA and pay investigative costs of \$1,500.

Other than these 9 actions, no litigation is required to be disclosed in this item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5

INITIAL FRANCHISE FEES

You will pay to us an initial franchise fee of up to \$50,000 (minimum of \$5,000) ("Initial Franchise Fee") when you sign the Franchise Agreement or, at our election, when you open your Produce Kiosk, which in either case is payable to us in a lump sum. The amount of the Initial Franchise Fee and timing for payment is determined based upon factors such as expected sales based on historical average weekly sales data collected by Franchisor, geographic location of the proposed Produce Kiosk, seasonality, and other considerations that may influence the expected results of the franchised business.

If we exercise our right to terminate the Franchise Agreement during the first year of the Franchise Agreement for any reason other than a default as set forth in Article 14 of the Franchise Agreement, we (i) will refund to you an amount equal to the Initial Franchise Fee actually paid, prorated in accordance with the number of days remaining in such first year of the Franchise Agreement; (ii) waive Section 16.3 of the Franchise Agreement; and (iii) purchase your remaining inventory and supplies at a fair market value at the time of termination. After the initial one-year term of the Franchise Agreement, we are not obligated to return any portion of the Initial Franchise Fee if the Franchise Agreement is terminated by you or us for any reason.

Initial Equipment and Supply Costs:

Before you open your Produce Kiosk, you must purchase equipment, labels, packaging and utensils in accordance with the Brand Standards Manual (as defined below) from us at a total cost of \$3,000 to \$15,000 or from a supplier approved by us in writing. At your request, we will provide all or a portion of the foregoing items and deduct the cost of such items from your share of the revenue of the Produce Kiosk until we have been fully reimbursed. These costs are nonrefundable. Additionally, there will be a rental fee of \$100 per month for the labeling machine provided by Franchisor, and you will pay for the first month before you open your Produce Kiosk.

Initial Inventory Cost:

Before you open your Produce Kiosk, we anticipate the cost of inventory you will need for the first month of operations to be between \$4,200 to \$42,000 depending on the estimated sales volume for your franchise at the Host Location. It is anticipated that you will purchase all food inventory and supplies from the Franchisor or the Host Location. Sales volume is based on our analyses of the geographic location of your franchise, the average number of customers who shop at the Host Location on a daily basis, the demographics of the area in which the Host Location typically draws its customers, including information regarding average income levels, household size, age of the area's residents and the likelihood of the area's residents to be customers for our products. We will provide you with a payment card (if qualified for the use of such payment card or other financing) to use to pay for all of Your inventory; provided that Franchisee must use the payment card or other financing (if provided) to only purchase such inventory. Franchisor will withhold the current amount due on the card from each Franchisee Payment (defined below); provided, that it is the intention, but not an obligation, that Franchisor will not withhold more than 25% of the Franchisee Payment at the time such payment is made to Franchisee. In accordance with the Franchise Agreement, the Franchisee shall at all times remain obligated to repay (in combination with the funds withheld from the Franchisee Payment) the card in full, including if the funds withheld by Franchisor

are insufficient to repay the card in full. This payment card will be issued by a financial institution selected by Franchisor, and amounts drawn on this payment card will accrue interest at such financial institution's then-applicable interest rate.

Neither the initial equipment and supply costs nor the initial inventory costs described above are refundable, unless otherwise indicated herein. However, some of the costs of certain supplies (e.g., usable produce or non-perishable foods acquired from us or our affiliates) may be refundable upon termination of the Franchise Agreement.

ITEM 6 OTHER FEES

Type of Fee¹	Amount	Due Date	Definitions/Remarks
Hosting Fee, Franchise Fee, and Franchisee Payment	We and the Host Location collectively withhold 30 – 40% of your weekly Gross Sales. The Occupancy Agreement (which is negotiated solely between us and the Host) will generally allocate the withheld amount between us and the Host Location as follows: <i>Hosting Fee:</i> Host Location will withhold 15 – 35% of weekly Gross Sales (the “<u>Hosting Fee</u>”) <i>Franchise Fee:</i> We will withhold up to the remaining 5 – 25% of weekly Gross Sales (the “<u>Franchise Fee</u>”) <i>Franchisee Payment:</i> You receive the remaining 59% – 75% of weekly Gross Sales (the “<u>Franchisee Payment</u>”).	Paid on or before the Monday each week after the Revenue Processing Period.	“<u>Gross Sales</u>” means the total amount of revenue collected from the sale of all goods or services provided by and/or from the Produce Kiosk and all other income of every kind and nature related to the Produce Kiosk, except (i) federal, state, or municipal sales taxes collected by the Host Location from customers and paid by the Host Location to the appropriate taxing authority and (ii) any refunds, returns or credit card chargebacks. “<u>Revenue Processing Period</u>” means 8 weeks after the Produce Kiosk begins operating. See Note 1 below and Article 4 of the Franchise Agreement for further information.
Management Fee	An amount equal to the greater of \$400 or	Paid on or before Monday each week	The bi-weekly management fee is

Type of Fee ¹	Amount	Due Date	Definitions/Remarks
	2% of the prior biweekly period's Gross Sales of each Produce Kiosk you operate (unless a lower Management Fee is otherwise provided for in the Franchise Agreement)	after the Revenue Processing Period	compensation to us to help offset the costs of our onsite food quality and safety inspections at your franchise location, which are conducted 4 – 6 times per year. The management fee is also compensation to us to help offset the costs of our periodic onsite supervisory visits to your location by our personnel. Such costs include the expenses we incur for our supervisory personnel for travel, lodging, meals, completion of reports, and other administrative expenses. The frequency of such visits may depend on the volume of sales experienced by a franchisee as well as the results of the last inspection conducted by Franchisor.
Inventory Order Processing Fee	\$50 per order, as applicable	Paid on or before Monday each week after the Revenue Processing Period	Franchisee may request to order certain inventory or supplies through accounts maintained by Franchisor. We may charge a processing fee of \$50 in such event.
National Advertising Program (NAP) Fee	Maximum – 1.0% of Gross Sales (not currently assessed)	Payable by the 10th of each month (not currently assessed)	See Note 2 below.
Supplemental Marketing Programs	Maximum – 1.0% of Gross Sales	Payable by the 10th of each month	See Note 3 below.
Replacement and Supplemental Training	Currently, \$5,000, plus costs of your personnel attending training.	On demand	We may charge a training fee if we train a replacement Managing Owner, Operating Partner or manager or if

Type of Fee ¹	Amount	Due Date	Definitions/Remarks
			your personnel attend supplemental training.
Transfer Fee	\$2,500 to \$10,000 plus an amount necessary to reimburse us for our out-of-pocket expenses.	Payable in two installments: (Installment 1) Half of the fee due upon receipt of notification regarding transfer and application from proposed transferee; and (Installment 2) Second half of the fee plus an amount necessary to reimburse us for our out-of-pocket expenses associated with the transfer due upon the actual closing of the transfer.	The transfer fee is to cover our costs to conduct an independent investigation of the financial capability and reputation of the proposed Franchisee transferee.
Early Transfer Fee	\$5,000	Payable at the actual closing of the transfer.	Payable only if you request approval for a transfer of the Franchise within 10 months of commencing operations. The early transfer fee is payable in addition to the transfer fee.
Offering Review Fee	Franchise/Capital Raise – \$5,000	30 days after billing	This covers our cost to review the proposed offering of your securities (which shall not constitute legal or other advice of any kind as to the legality or permissibility of the issuance or other matters related to such securities).
Administrative Payment Fee for Credit Card and Alternative	Up to 2% of the amount paid to us via credit card or other alternative payment	At time of payment of fees or reimbursable expenses to us via	We collect most payments via ACH, but if you pay amounts due to us via credit card, wire or other

Type of Fee ¹	Amount	Due Date	Definitions/Remarks
Payment Methods	methods.	an alternative payment method.	alternative means, we may charge these additional amounts to the payment as reimbursement for third-party fees incurred and/or our administrative costs.
Late Charge and Interest	Late Charge: 5% of the amount due late charge for each delinquent payment. Interest Rate: the lesser of 18% per annum or maximum legal rate from the due date thereof.	On demand	Payable on all overdue amounts, except as otherwise provided herein.
Early Termination Fee	\$10,000	On Demand	You must pay us a \$10,000 early termination fee and reimburse us for all of our out-of-pocket costs and expenses if you abandon the franchised Produce Kiosk.
Indemnification	Will vary depending on loss	On demand	You must indemnify us for all losses and expenses we incur because of your actions. See Note 4 below.
Renewal Fee	\$500 – \$6,500	Upon Renewal	You must pay a renewal fee upon the renewal of your Franchise Agreement. See Note 5 below.
Labeling Machine Rental Fee	\$100 a month	Payable by the 10 th of each month	Payable to us.
Mandatory Franchisor Insurance Program Insurance Premiums and Administrative Fee	\$500 to \$1,200 a month in premiums plus an administrative fee of up to \$200 per month (currently \$5 per month)	Payable by the 10 th of each month	Payable to us or our mandatory insurance provider, as we deem appropriate.
Non-Compliance Fees	\$0 – \$7,000 per breach (depending on the nature of the breach of the	On Demand	See Note 6 below.

Type of Fee ¹	Amount	Due Date	Definitions/Remarks
	Franchise Agreement)		
Manual Replacement Fee	\$2,000	On Demand	Payable to us
Inspection Fees	\$235	On Demand	See Note 7 below.
Extended Producer Responsibility (EPR) Fees	Actual costs, as established by state law or regulation, a producer responsibility plan, and/or a producer responsibility or stewardship organization, plus any applicable administrative charges and other fees.	Upon demand	Payable to us or an affiliate.

Notes:

¹ All fees and expenses described in this **Item 6** are nonrefundable. Unless we have otherwise indicated in the preceding chart, all fees and expenses are imposed by, and are payable to, us. Generally, all fees are uniformly imposed on our Franchisees, but we may, in our sole discretion, negotiate some other type or amount of fees under certain circumstances in accordance with our then-current Brand Standards Manual (the “Brand Standards Manual”). Monthly payments must be paid by the 10th day of each month. You may not withhold or offset payments based on our alleged non-performance under the Franchise Agreement. We may, however, offset any and all fees and other amounts due us from you against all Franchisee Payments owed to you; provided, however, that Franchisor generally does not deduct more than 50% (although Franchisor may deduct more than 50% in its sole discretion) of the Franchisee Payment owing to Franchisee to apply against amounts owed to Franchisor by Franchisee (including the Franchise Fee). If any payment is overdue, you must pay us the overdue amount plus interest from the due date at the rate stated in the table above and at our option we may charge a 5% late fee. We reserve the right to require payment on a weekly basis and/or to implement electronic debiting of your account for payment.

² Advertising programs are described in greater detail in **Item 11**. You must participate in the national advertising program we designate, if any. Currently, our Franchisees are not required to participate in any national advertising program. We may implement or change the required advertising program designation periodically. Under certain limited circumstances (e.g., for significant multi-unit locations, a large metropolitan area, airports or unique kiosk sites), we may modify the advertising fees for specific Franchisees in our sole discretion.

³ You must participate in any supplemental marketing programs we designate and pay for certain costs related to such programs. Such programs may include participation in advertisement and mailer programs implemented by the Host Location. The costs associated with such programs will be passed from the Host Location to Franchisor, and Franchisor will pass the costs through to Franchisee; provided, however, Franchisor will not pass through such costs in excess of 1.0% of Gross Sales. We may change the required

supplemental marketing program designation periodically. Under certain limited circumstances (e.g., a large metropolitan area or unique kiosk sites), we may modify the contributions or participation for specific Franchisees in our sole discretion.

⁴ Your indemnification obligations are subject to state law. the Franchise Agreement and state law. “Damages” is defined in the Franchise Agreement as follows: “Damages” shall include, without limitation, all liability, losses, damages (including, without limitation, compensatory, exemplary and punitive damages), claims, fines, charges, costs, expenses, debts, lost profits, reasonable attorney’s fees, court costs, settlement amounts, judgments, compensation for damages to the Franchisor’s reputation and goodwill, costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

⁵ Renewal Fees are set as a tiered structure that is based on the average weekly sale amount for each store across the trailing 52-week history with smaller stores paying less and larger stores paying more.

⁶ Noncompliance fees are based on the type and number of prior instances of noncompliance. Currently, non-compliance fees are as follow (but the amounts and types of fees may be modified by us the Brand Standards Manual to the fullest extent permitted by law):

Non-Compliance Fees

First warning notice -> \$0 non-compliance fee and written warning

Second warning notice -> \$200 non-compliance fee

Third warning notice -> \$400 non-compliance fee

Fourth warning notice -> \$600 non-compliance fee

Unapproved Ingredients/Supplies Violation

1. First warning notice -> \$1,000 non-compliance fee

2. Second warning notice -> \$5,000 non-compliance fee

3. Third warning notice -> \$7,000 non-compliance fee

Avocado (Purchasing) Violation

- First occurrence -> \$0 non-compliance fee and written warning

- Second occurrence and beyond -> \$250 non-compliance fee

Fines Structure for other violations of the Brand Standards Manual:

1. Door Dash Violations (fines are separate and will not be counted toward regular fines)

- First/Second warning notice -> \$0 non-compliance fee and verbal warning (MUST be documented in SafetyCulture report used to support request)
- Third warning notice -> \$0 non-compliance fee and written warning
- Fourth warning notice and beyond -> \$50 non-compliance fee

As set forth in the Brand Standards Manual, franchisees may be required to pay noncompliance fees for breaches of their obligations under the Franchise Agreement and the Brand Standards Manual. Franchisees

will be provided with a current copy of the Brand Standards Manual, which may be amended from time to time.

⁷ A third party auditing service provides a complete inspection of the Produce Kiosk for compliance to food safety, quality and brand specific audit criteria. These audits are required by the Host Location. The auditor will score the Produce Kiosk, and if the Produce Kiosk fails the inspection, a re-audit process is initiated. You will be charged the re-audit fee, in addition to any fines that may be levied as a result of violations of the Brand Standards Manual.

ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT (SEE NOTE 1 BELOW)

Type of expenditure	Actual or Estimated Cost Low – High	Method of Payment	When Due	To Whom Payment Will Be Made
Initial Franchise Fee	\$5,000 – \$50,000	As arranged	Prior to opening; See Item 5	Elite
Kitchen Equipment and Supplies (See Note 2 below)	\$3,000 – \$15,000	As arranged	Net 45 days after purchase from Elite; As arranged with suppliers	Elite /Suppliers
Initial Inventory (First Month) (See Note 3 below)	\$2,000 – \$18,000	As arranged	Net 45 days after purchase from Elite; As arranged with suppliers	Suppliers/ Elite
Training (See Note 4 below)	Estimated at \$1,720	As arranged	Prior to opening	Travel, lodging and dining arrangement vendors.
Additional Funds Post-Opening (first 3 months) (See Note 5 below)	\$10,400 – \$144,000	As arranged	When due	Suppliers/ Employees/ Elite
TOTAL	\$22,120 – \$228,720			

Notes:

¹ The above chart provides a good faith estimate of your initial investment for one Produce Kiosk. Except as set forth in Item 10, neither Franchisor nor an affiliate provides any financing arrangement with respect to the initial investment.

² The estimate given covers the cost of kitchen equipment, small wares, like cooking, serving, and other utensils for food preparation. We require you to purchase certain kitchen equipment, including cooking, sanitizing, washing, and processing equipment that meets our specifications. What equipment is necessary

will be determined by the Franchisor depending on the specifications and workspace available for the Produce Kiosk in the Host Location.

³ The estimated cost of your initial inventory should be in the range set forth in the table above based on the analysis conducted by Franchisor as set forth in the Initial Inventory Cost set forth in **Item 5** above. For example, the low end of the range is the estimated cost to cover the initial month of supplies and other inventory at a lower volume location and the high end of the range is the estimated cost to cover the initial month of supplies and other inventory at what would be considered our highest volume location.

⁴ We provide initial training for up to five (5) of your personnel (in addition to your Managing Owner and Operating Partner). Initial training is generally conducted at regional locations determined by us from time to time based on the number and geographic distribution of Franchisees, and training is not typically conducted at our site in Dallas, Texas. The costs you may incur in connection with attending initial training will vary depending on the location of the training, travel arrangements, lodging and dining preferences, and the wages and expenses of your attendees. This is merely an estimate of the costs that you may incur for our initial training program. Actual costs may vary depending on the training location and the arrangements made by each Franchisee and its chosen attendees.

⁵ This is our estimate of the amount needed to cover your expenses for the start-up phase of the business, including food and ingredient inventory (not already included in the “Initial Inventory”), payroll (Franchisee will generally need to hire one employee for every \$3,000 in weekly sales at an average cost of \$800 per week per employee), and other costs, including participation in promotional and advertising activities as the Franchisor may require. The low-end estimate is generally based upon lower sales volume locations with fewer employees, equipment inventory and other volume-dependent costs and expenses than higher volume locations will require. For the purpose of this disclosure document, we have estimated the start-up phase to be three (3) months from the date the Produce Kiosk opens for business.

To our knowledge, none of the expenditures described above are refundable, unless otherwise indicated herein. However, some of the costs of certain supplies (*e.g.*, usable produce or non-perishable foods acquired from us or our affiliates) may be refundable upon termination of the Franchise Agreement.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchases from Designated and Approved Suppliers

Products:

You must purchase all labels, food inventory, cooking equipment and utensils used or offered for sale at the Produce Kiosk solely from us, the Host Location or a supplier previously approved by us in writing. The Host Location is currently the only approved supplier for food inventory for operating a Produce Kiosk. To the extent any products are permitted to be purchased from others, they shall be purchased by Franchisee from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing satisfaction of Franchisor, the ability to meet Franchisor’s then-current standards and specifications for such items, who possess adequate quality controls and capacity to supply Your needs promptly and reliably; and who have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and who have not thereafter been disapproved. Franchisor may withhold approval of any supplier in its sole discretion. In addition to the criteria listed in the preceding sentence, Franchisor may maintain additional internal requirements that such suppliers and the Host Location must meet. In the event Franchisor approves a supplier, Franchisor will promptly notify Franchisee of such approval in writing.

There is no fee associated with applying for approval of a supplier. In the event Franchisor approves franchisee to purchase any items from suppliers other than Franchisor or the Host location, you will be required to secure such supplier's signature to agreements Franchisor may require, including, without limitation, a confidentiality agreement acceptable to Franchisor, as conditions precedent to any approval by Franchisor. Franchisor does not negotiate any purchase agreement or arrangement by and between franchisees and suppliers, including the Host Location. Franchisor does not provide any material benefits to any franchisee based on the franchisee's purchase of products or services or use of designated or approved suppliers. No officer or manager of Franchisor has any ownership interest in any supplier you are required to use, other than Franchisor. No purchasing or distribution cooperatives exist.

As noted above and below, we are the sole approved supplier for labels, cooking equipment and utensils used at the Produce Kiosk. As noted below, we are currently also the sole approved supplier for our current mandatory group insurance program.

Franchisor has the right to require that its representatives be permitted to inspect any supplier's facilities at any time, and that samples from any such supplier be delivered, at any time, either to Franchisor or to an independent laboratory designated by Franchisor for testing. You may be charged up to the cost of the inspection and the test by Franchisor or its or its designee. Without limiting your liability therefor, you may require reimbursement or direct payment by the supplier for such charge.

Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any previously approved supplier and to revoke its approval for, among other reasons, the supplier's failure to continue to meet any of Franchisor's then-current criteria. Any such revocations by the Franchisor of previously approved supplier will be communicated to Franchisees in writing.

You must comply with all of our standards and specifications (as set forth in the Manual) for the purchase of all food and beverage items, ingredients, supplies, equipment and other products used or offered for sale at the Produce Kiosk. Franchisee shall label all products for sales tracking processing using a label machine provided by Franchisor at a cost of \$100 per month.

Franchisor or its affiliates may derive revenue or other material consideration from required purchases or leases by Franchisees. Upon the request of Franchisee, Franchisor will disclose the consideration it or its affiliates has received from purchases and/or leases that are required by Franchisor by disclosing Franchisor's (or its affiliate's) total revenue from such required purchases and/or leases for each fiscal year of the last three fiscal years. In the event of such required purchases or leases and upon the request of Franchisee, Franchisor will also disclose (i) an estimate of the total amount of Your expenses for the next fiscal year, (ii) an estimate of the total amount of Your required purchases and/or leases for the next fiscal year, and (iii) the percentage of the amount in clause (ii) that is the amount in clause (i).

We were newly formed in January 2026 and did not start franchising under the issuance of this Disclosure Document, so with respect to our last fiscal year, our total revenue was \$0 and we recognized revenue with respect to product sales, billed shipping of product, and services provided to franchisees of \$0 in 2025 (0% of our total revenue). We do not have any parents or affiliates that are suppliers to our Produce Kiosk franchisees.

Advertising:

All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them if we did not prepare or previously approve them during the twelve (12) months preceding the date of their proposed use. You must submit any unapproved plans and materials to us, and we will use reasonable efforts to approve or disapprove them

within fourteen (14) days after we receive them. You must not use the plans or materials until we have approved them, and must promptly discontinue using any advertising or promotional plans or materials if we notify you to do so. You must purchase certain advertising and promotional materials from our approved suppliers.

Insurance:

Our Then Current Mandatory Group Insurance Program

Unless we agree otherwise in writing, you must participate in our then current mandatory group insurance program for your Produce Kiosk, and pay all related then current premium fees and costs associated with participation in such then current mandatory group insurance program. We charge an administrative fee that we set based on our cost of reinsurance and administration of the program. See Item 6. Currently, the mandatory group insurance program coverage includes insurance policies protecting you and us and certain of our related parties against any demand or claim for personal injury, death or property damage, or any loss, liability or expense related to the operation of the Produce Kiosk, as follows:

- (i) commercial general liability insurance with the following coverages and limits:

Coverage	Limit
General Aggregate	\$2,000,000
Products/Completed Ops Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$300,000
Medical Expense	\$5,000
Hired & Non-Owned Auto Liability	\$1,000,000

- (ii) commercial property insurance with the following coverages and limits:

Coverage	Limits	Cause of Loss	Deductible
Business Personal Property	\$10,000 – \$25,000	Special Form	\$1,000
Business Income & Extra Expense	ALS 12 months		24 hours (See Note 1 below)

Note:

¹ This refers to a twenty-four (24) hour waiting period. This insurance policy will have a twenty-four (24) hour waiting period after which the claim or loss related to business income can be calculated.

(iii) umbrella insurance with the following coverages and limits:

Limit	Retention Amount	Retention Basis
\$1,000,000	\$0	Per Occurrence

We may adjust coverage in our discretion in accordance with good practice and market standards and may also change the fees periodically to adjust to our costs. We may discontinue our group insurance program at any time.

Your Obligation to Obtain and Maintain Worker's Compensation and Employers' Liability Insurance

We do not currently include worker's compensation and employers' liability insurance in our mandatory group insurance program. You are therefore currently responsible for obtaining worker's compensation and employers' liability insurance covering all of your employees with the following coverages and limits (regardless of waiver or exemption of coverage under applicable state statute):

Coverage	Applies	Limits
Bodily Injury by Accident	Per Accident	\$1,000,000
Bodily Injury by Disease	Policy Limit	\$1,000,000
Bodily Injury by Disease	Per Employee	\$1,000,000

Your Requirements for Any Insurance you Obtain and Maintain

If you are not able to participate in our group insurance program due to state mandated requirements or other reasons that we deem appropriate, then you are solely responsible for obtaining insurance that is at least the same insurance coverage as set forth in our mandatory group insurance program and that otherwise satisfies requirements in your state.

All such insurance policies you may obtain on your own will contain provisions to the effect that the insurance will not be canceled or modified without at least 30 days' prior written notice to us and that no modification will be effective unless approved in writing by us. All such policies will be issued by a company or companies, rated "A" or better by AM Best, responsible and authorized to do business in the state in which your Produce Kiosk is located, as you may determine, and as approved by us, which approval will not be unreasonably withheld.

All such insurance policies shall name us and our related parties, if possible, as additional insureds and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any

policy provisions. In addition, all insurance policies required hereunder shall waive subrogation in favor of us and our related parties.

You may elect to have reasonable deductibles in connection with the insurance coverage subject to a reasonable evaluation of your financial strength as compared to such deductibles and otherwise subject to our prior written consent. You may not agree to sublimits in the insurance policies without our prior, written consent.

Your obligation to maintain the insurance policies shall not (i) release you from your obligations under the indemnity provisions set forth in the Franchise Agreement; or (ii) be limited by reason of any insurance which may be maintained by us.

We reserve the right to reasonably revise and/or reasonably increase the insurance coverages required and you must promptly comply with any such revisions and/or increases.

Not less than once per year, you must deliver to us certificates of insurance evidencing the insurance coverages required. You must also deliver such certificates and/or copies of such insurance policies within 10 days after our request.

If you fail to comply with our insurance requirements, then (in addition to any other remedies available to us under the Franchise Agreement), we will have the right (but not the obligation) to procure such insurance on your behalf and to charge same to you, which charges, together with a reasonable fee for our expenses in so acting, shall be payable by you immediately upon notice.

Purchasing Arrangements:

We estimate that the purchase and lease of all services, equipment, supplies, and other items you must purchase or lease from us or our affiliates, or from unaffiliated approved or designated suppliers, will represent approximately 90% to 95% of your total purchases and leases to initially establish the franchised business. Thereafter, once the franchised business is established, approximately 90% to 95% of your total purchases and leases to operate the Produce Kiosk will be purchased from us.

Computer Systems:

Franchisees are not required to purchase or use any computer systems at the Produce Kiosk. Franchisees shall require their customers to utilize the Host Location's point of sale infrastructure for the purchase of products for their Produce Kiosk. The Host Location's point of sale infrastructure shall be determined and maintained exclusively by the Host. Franchisees are only required to rent a label machine and place labels on the produce products.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	N/A	N/A
b. Pre-opening purchases/leases and requirements	Articles 3 and 7	Items 5, 7 and 11
c. Site development and other pre-opening requirements	Article 3	N/A
d. Initial and ongoing training	Sections 3.1 and 3.3	Item 11
e. Opening	Sections 3.4 and 3.5	Item 11
f. Fees	Sections 4.1, 4.2, 4.3, 4.4, 11.2, 13.3, 13.9 and 21.5	Items 5, 6 and 7
g. Compliance with standards and policies/manuals	Articles 5, 7 and 9	Items 8, 11, 13 and 14
h. Trademarks and proprietary information	Articles 8 and 9 Sections 7.7 and 16.2	Items 1, 13 and 14
i. Restrictions on products/services offered	Sections 7.1, 7.5, 7.6, and 7.7	Items 8 and 16
j. Warranty and customer service requirements	Section 7.1	N/A
k. Territorial development	Recitals	Item 12
l. Ongoing product/service purchases	Sections 7.1, 7.6 and 7.7	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 7.1, 7.8, 7.9, 7.10, and 7.11	Items 8 and 11
n. Insurance	Article 12	Items 7 and 8
o. Advertising and promotions	Section 8.1 and Article 11	Items 6 and 11

Obligation	Section in Franchise Agreement	Item in Franchise Disclosure Document
p. Indemnification	Sections 7.4, 7.14, 13.9 and Article 17	Item 6
q. Owner's participation/staffing/management	Sections 7.2 and 7.4	Items 1 and 15
r. Records and reports	Article 10 and Section 15.1	Items 6 and 11
s. Inspections and audits	Sections 7.11 and 10.4	Items 6 and 11
t. Transfer	Article 13	Items 6 and 17
u. Renewal	Section 2.2	Item 17
v. Post-termination obligations	Sections 15.1, 16.3(b) and 16.3(c)	Item 17
w. Non-competition covenants	Section 16.3	Items 15 and 17
x. Dispute resolution	Article 21	Item 17

ITEM 10 **FINANCING**

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

However, Franchisor may, in its sole discretion, advance franchisees supplies, inventory, materials, and other items during the first eight (8) weeks of the franchise's operations. Any such advancements are then subsequently applied to any amounts owed by the Franchisor to the Franchisee. During the first eight (8) weeks of a franchise's operations, a franchisee may experience delays in receiving funds from the sales of its Pan-Asian foods at the kiosk(s), and the funds a franchisee receives may not be sufficient during that time to provide for full operations. This is due to the payment mechanics between the Host Location, Franchisor and the franchisee when first opening a franchised kiosk. In an effort to contribute to the success of each franchisee, however, Franchisor may, in its sole discretion, advance franchisees supplies, inventory, materials, and other items during the initial operation time period.

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

Except as listed below, we are not required to provide you with any assistance:

Pre-Opening Obligations:

Before you open your Produce Kiosk, we will:

Provide you with the business site within the Host Location that we have selected for your Produce Kiosk pursuant to an applicable Occupancy Agreement between us and the third-party owner of the Host Location. The Host Location will install any equipment, signs and fixtures, and the Host Location will obtain any required permits, including with respect to construction and decorating the Produce Kiosk. Franchisor is not obligated to advertise the opening of a new Produce Kiosk in the geographical location in which the Produce Kiosk will open, nor to provide advertising for existing Produce Kiosks. You may not relocate the Produce Kiosk within the Host Location, except as may be required by the Host Location. You may not transfer your Produce Kiosk to another Host Location without first obtaining our written consent. Our criteria for site selection require an evaluation of the demographics of the Host Location (including the age and income level of nearby residents of the market area for the location), traffic patterns, the size of the location, the proximity to shopping and other centers of population concentration, and the results of negotiations between us and the third-party owner of the Host Location in accordance with Section 3.1 of the Franchise Agreement.

Provide you with an initial training program in Dallas, Texas for your Managing Owner and Operating Partner and up to five (5) of your personnel.

Provide you with physical copy of the Brand Standards Manual in accordance with Sections 5.1 and 5.2 of the Franchise Agreement or excerpts of the Table of Contents, which are set forth as follows:

Brand Standards Manual:

The Brand Standards Manual is comprised of 53 pages. The Table of Contents is as follows:

- i. SOP – Business Operational Hours & Holidays – 2 pages
- ii. SOP – Fine Structure and Process – 2 pages
- iii. Elite - Cut Produce Procedures Handbook – 9 pages
- iv. SOP – Receiving Policy – 3 pages
- v. SOP – Storage Policy – 2 pages
- vi. SOP – Handwashing Procedures – 2 pages
- vii. SOP – Personal Hygiene and Employee Health – 5 pages
- viii. SOP – Eating, Drinking and Personal Item Storage – 2 pages
- ix. SOP – Equipment Ware Washing and Sanitizing – 4 pages
- x. SOP – Blood and Bodily Fluids Clean Up – 3 pages
- xi. SOP – Thermometer Calibration – 2 pages
- xii. SOP – Glass and Brittle Plastic – 3 pages
- xiii. SOP – Ice Machine Use – 3 pages
- xiv. SOP – Employee Health Policy – 4 pages
- xv. SOP – Purchasing Policy – 2 pages
- xvi. Logs – Cut Produce Daily Logs – 2 pages

Build Book

Chart is on the following page



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1. Programs & Expectations

Country of Origin & Program Guidelines
Responsibilities & Standard Equipment
Storage Standards & Supply Packaging
Best Practices & Merchandising
Frequently Asked Questions

2. Preparation & Cutting Procedures

Cut Size Guide
Fruit Procedures (Melons, Berries, Citrus, ...)
Vegetable Procedures (Onion, Pepper, Celery, ...)

5. Quality Control

Quality Control Inspection

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3. Build Sheets — Cut Fruit

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4. Build Sheets — Cut Vegetable

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Typical Length of Time Before You Open Your Produce Kiosk:

We estimate the time from the date you sign the Franchise Agreement to the date you begin operating your first Produce Kiosk will be approximately 7 to 30 days if we have identified a specific location before you sign the Franchise Agreement. In certain instances we may sign the Franchise Agreement with you before we have identified a specific location for your Produce Kiosk, in which case it may take up to 60 days from the date you sign the Franchise Agreement to the date you begin operating your first Produce Kiosk. This time may be extended or reduced depending on the time necessary for you to obtain third-party financing, and the amount of time required to hire employees, obtain the permits and licenses necessary for operation, none of which are within our control. If you fail to timely open your Produce Kiosk at a site approved by us (within 30 days after you sign the Franchise Agreement if your site was approved when you signed the Franchise Agreement or within 60 days after you sign the Franchise Agreement if your site was not approved when you signed the Franchise Agreement), we can terminate the Franchise Agreement and your Initial Franchise Fee will not be refunded.

Established Prices:

Subject to the Occupancy Agreement with the Host Location and/or any price setting requirements of the Host Location, Franchisor reserves the right to establish maximum and/or minimum prices for certain products or services to promote system uniformity and maintain brand standards. If set, these pricing limits will be disclosed in the Operations Manual or through written notice. Franchisor may also require Franchisee participation in system-wide promotional campaigns that involve fixed or discounted pricing during specified promotional periods. Any such pricing requirements will be uniformly applied and communicated in advance. Failure to comply with mandatory pricing standards may be considered a breach of your Franchise Agreement.

Continuing Obligations:

During the operation of your Produce Kiosk and in accordance with Sections 3.2 and 3.3 of the Franchise Agreement, we will:

- (i) Make available other training programs, as we deem appropriate.
- (ii) Provide continuing advisory assistance to you in the operation of the Produce Kiosk, as we deem advisable.
- (iii) Make available research data and other materials relating to merchandising, marketing, and advertising (but only after we establish an advertising program). We have the right to review and approve or disapprove all advertising and promotional materials, which you propose to use.
- (iv) Revise the contents of the Manual as needed. We reserve the right to charge a \$2,000 fee for any replacement Manual or pages of the Manual you request, if the replacement is needed because you failed to properly maintain or update the Manual as provided or due to your loss of the Manual.
- (v) Provide you, as we deem appropriate, with advice and written materials concerning techniques of managing and operating the Produce Kiosk, including new developments and improvements in kiosk equipment, food products, packaging, and preparation.

- (vi) At our option, establish, maintain and administer a national advertising program (“NAP”).

Pursuant to Section 10.4 of the Franchise Agreement, at our discretion, you can request an accounting statement, once per each 12-month period, of the Gross Sales of your Produce Kiosk and the amounts collected by us from your Host Location and the amounts we remitted to you.

Advertising:

We may require you to participate in our NAP and supplemental marketing programs. We may change the program in which you are required to participate during the term of the Franchise Agreement. We are not required to spend any amount on advertising in the franchisee’s area or territory.

National Advertising Program:

Currently, we have not implemented a NAP or supplemental marketing program for our franchisees. If we implement such a program, you must participate in it. If implemented, the NAP will be organized, governed, and operated in accordance with our written guidelines (the “NAP Guidelines”) and we are responsible for maintaining and administering advertising programs in accordance with the NAP Guidelines. No advertising or promotional plans or materials may be used under the NAP without our prior written consent.

Under a NAP, you may be required to pay to us up to 1% of Produce Kiosk Gross Sales to be used by us for maintaining, administering, directing, and preparing advertising and promotional activities for the benefit of the System. Currently, there is not a required national advertising fee (the “NAP Fee”) but this fee, if collected, would be used exclusively by us for any and all costs incurred in the NAP including the cost of (i) maintaining, directing, and preparing advertising materials like the preparation and coordination of television, digital (email, sms, search, display, video, social), radio, print, direct mail, outdoor billboard advertising, marketing surveys and other public relations activities; (ii) the employment of advertising agencies; (iii) the preparation and distribution of promotional brochures and other marketing materials; (iv) the cost of developing and maintaining any website(s) related to the NAP; (v) reasonable administrative costs and overhead we incur in activities reasonably related to the administration or direction of the NAP; and (vi) other items as set forth in the NAP Guidelines. We will direct all advertising and production programs in the NAP, and we will have sole responsibility for all advertising, marketing, and/or promotional materials used in connection with the NAP.

All local advertising is subject to the requirements in Attachment F to the Franchise Agreement and to our prior written approval. You will have the discretion to spend local advertising funds as and when you reasonably determine to be appropriate. There is no local or regional advertising cooperative.

We expect that any NAP Fee will be spent for advertising and/or promotional purposes during our fiscal year in which they are received. If excess amounts remain at the end of the fiscal year, then all expenditures in the following fiscal year(s) will be made first out of accumulated fees from previous years and then from fees collected during the current year. The NAP will be operated as a conduit for the collection and expenditure of advertising fees. A statement of the operations of the NAP will be prepared annually and will be made available to you upon request. We are not required to audit the statements of operations.

We reserve the right to terminate a NAP; however, the program will not be terminated until all monies have been expended for advertising and/or promotional purposes or other appropriate arrangements have been made.

Supplemental Marketing Program:

In addition to the advertising programs described above, we have the right to require your participation in supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management, and other supplemental marketing programs) that we establish from time-to-time. You will be responsible for payment of certain costs associated with these supplemental marketing programs. We may change the required supplemental marketing program designation periodically. Under certain limited circumstances (e.g., for a significant multi-unit development plan, a large metropolitan area, airports or unique kiosk sites), we may modify the contributions or participation for a specific franchisee in our sole discretion.

Other Advertising Requirements:

All advertising and promotion by you in any medium must be conducted in a dignified manner and conform to our standards and requirements as stated in the Brand Standards Manual or otherwise. You must obtain our approval of all advertising and promotional plans and materials that you desire to use before you use them if they have not been prepared or previously approved by us during the past twelve (12) months. You must submit any unapproved plans and materials to us, and we must approve or disapprove the plans and materials within fourteen (14) days from the date of receipt. You may not use any plans or materials until they have been approved by us and must promptly discontinue use of any advertising or promotional plans or materials upon receiving notice from us. As disclosed in Item 16, you may not advertise, promote, post or list information relating to the Produce Kiosk on the Internet (through the creation of a website or otherwise) without our prior written consent.

We currently do not have a formal franchisee advisory council or association.

Training:

Your Managing Owner or Operating Partner (each as defined below) must attend and complete our initial management training program to our satisfaction. All replacement Managing Owners or Operating Partners later appointed by you must also attend and complete our initial training program to our satisfaction at designated kiosks or kitchens (“Training Facilities”) which we may own or lease for training purposes. You are responsible for expenses incurred by you, your Managing Owner and/or Operating Partner and any other personnel in attending the initial management training program, including meals, lodging and transportation (as described in **Item 7**).

Initial management training programs are offered at various times during the year and are generally conducted at regional locations determined by us based on the number of franchisees entering the System, the number of replacement personnel needing training, the number of new kiosks we open and the timing of scheduled kiosk openings. The initial management training program will generally last two weeks, some of which will be on-the-job training. Our trainers are all experienced food kiosk operators who have worked for us or an affiliate or have been a franchisee of us or an affiliate for at least two years. Our initial management training and pre-opening training will be conducted by persons who have worked in our corporate office (or one of our affiliates’ corporate offices) for at least six months. The instructor will vary depending on the time, location, and subject matter taught. After franchisees attend all of the initial management training program sessions conducted by us, an assessment is made by the training personnel as to whether additional training is required or if the franchisee is fully prepared to operate the kiosk.

The subjects covered, approximate hours of classroom and on the job training, and other information about our initial management training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom (See Note 1)	Hours of On-the-Job (See Note 1)	Location (See Note 2)
Customer Facing Position Training	5 hours	15 hours	Training Facility
Food Preparation Training	5 hours	15 hours	Training Facility
Management	5 hours	15 hours	Training Facility
Food Safety Training	5 hours	15 hours	Training Facility

Notes:

¹ The time periods allocated to the subjects listed above are approximations, and the time actually spent by you and your personnel may vary based on the experience and performance of those persons being trained.

² The initial management training program must be completed to our satisfaction before your Produce Kiosk opens. Our Training Facilities are located throughout the U.S., and the location of the Training Facilities to which you are assigned will vary depending upon the region of the U.S. in which your Produce Kiosk is located and the availability of these facilities in that area.

Instructional materials for the initial training program include the Brand Standards Manual, standard accounting forms, employee manuals and personnel forms.

We may require your personnel to attend supplemental training programs. We have the right to charge a reasonable fee for these supplemental training programs. You must also pay all expenses you or your personnel incur in any training program, including the cost of travel, lodging, and meals.

In addition to the initial management training program, we may provide conferences for general managers in a designated area. Attendance at these meetings is voluntary, and you will be responsible for your expenses. We may also hold annual conferences for general managers and quarterly meetings for unit supervisors. Your representatives may attend these meetings, at your expense.

As disclosed in Item 16, you may not advertise, promote, post or list information relating to the Produce Kiosk on the Internet (through the creation of a website or otherwise) without our prior written consent.

Computer Systems

You shall require your customers to utilize the Host Location's point of sale infrastructure for the purchase of products for your Produce Kiosk. The Host Location's point of sale infrastructure shall be determined and maintained exclusively by the Host. Otherwise, you are not required or permitted to license, lease, purchase, maintain or update any other computer systems (including point of sale infrastructure) with respect to the Produce Kiosk. Pursuant to each Occupancy Agreement, Franchisor shall be given access to Franchisee's sales information contained in the Host Location's point of sale infrastructure.

Franchisor's access is limited to reports and data produced by the point of sale infrastructure and delivered to Franchisor by the Host. Franchisor's access may permit Franchisor to verify the sales made and amount of Franchisee Earnings be remitted by Franchisor to the Franchisee pursuant to such sales. Franchisor does not otherwise have direct access to the point of sale infrastructure.

ITEM 12

TERRITORY

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

Franchise Agreement:

The Franchise Agreement grants you the right to operate the Produce Kiosk only at the approved location, which is described in Attachment A to the Franchise Agreement. You may not relocate the Produce Kiosk without first obtaining our written consent, except in instances where the Host Location closes or otherwise can no longer accommodate the Produce Kiosk. In such event, you will be offered another Produce Kiosk franchise opportunity within the same geographical area, provided that Franchisor can secure another Host Location. There are no territorial rights or rights to acquire additional franchise locations granted with the Franchise Agreement. There is no requirement that you achieve any specified sales volume or market penetration under the Franchise Agreement. Pursuant to Section 1.2 of the Franchise Agreement, we are permitted to offer and sell (or authorize any person or entity to offer and sell) cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products competitive with the products sold by your Produce Kiosk to the public through any distribution channel in any area. Unless a program for such is developed by us, you are not permitted to make sales of products outside of your Produce Kiosk or to deliver products to customers' homes or place of business. You may advertise and sell your products through the Internet or other marketing channels, but only if first approved by us pursuant to Section 11.5 of the Franchise Agreement.

We do not compensate our franchisees for soliciting or accepting orders within the general geographic location of the Produce Kiosk.

Franchisees do not have any option, right of first refusal or similar rights with respect to the sale of Produce Kiosks to other prospective franchisees within the same geographic location.

Our affiliate SSS currently operates a produce kiosk franchise under the name Supreme Produce that generally targets different Host Locations than Elite Produce Kiosks. These produce kiosks may compete with Elite Produce Kiosks generally and with your Produce Kiosk. Other than our affiliate's Supreme Produce Kiosk program, we do not have any current plans or intentions to sell products similar to the products sold by your Produce Kiosk through another franchise or other business operation other than our current or new franchisees for a Produce Kiosk or our Franchisor-owned kiosks operating under our Elite Produce trade name.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to use the trademarks, service marks, names, logos, and commercial symbols designated by us (the "Proprietary Marks") only in the manner we authorize and only for the operation of the Produce Kiosk at the location specified in the Franchise Agreement.

You must operate the Produce Kiosk under the service mark "Elite Produce".

The following Proprietary Marks have been applied for with the United States Patent and Trademark Office ("USPTO").

MARK	APPLICATION NUMBER	APPLICATION DATE
ELITE PRODUCE	99/767,606	April 16, 2026
	99/791,195	April 28, 2026

We do not have a federal registration for our principal trademarks. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Following registration, we intend to renew our registrations and intend to file all appropriate affidavits at the times required by law.

There is no presently effective determination of the USPTO, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which is relevant to their ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Proprietary Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

If any infringement of or challenge to your use of the Proprietary Marks or litigation involving the Proprietary Marks is instituted or threatened against you, you must promptly notify us and must cooperate fully in defending or settling the litigation. You and your owners agree that neither you nor they will communicate with any person other than us and our counsel concerning any action, claim or infringement. We will have sole discretion to take action, as we deem appropriate and the right to exclusively control any litigation, USPTO action, or other proceeding involving any infringement, challenge or claims relating to the Proprietary Marks.

We are not obligated by the Franchise Agreement to specifically protect any rights granted to you to use the Proprietary Marks or to protect you against claims of infringement or unfair competition involving them. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Proprietary Marks if the proceeding is resolved unfavorably to you.

You may not use any of the Proprietary Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining your requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary or advisable to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Neither you nor your owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Proprietary Marks and may not contest the validity of our interest in the Proprietary Marks or assist others to do so.

The license of the Proprietary Marks granted in the Franchise Agreement is non-exclusive to you except for the location of the Produce Kiosk. We have and retain the right, among others:

- (i) To grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees.
- (ii) To use the Proprietary Marks in selling products and services.
- (iii) To develop and establish other systems using the same or similar Proprietary Marks or any other Proprietary Marks and grant licenses or franchises under those systems without providing you any rights.
- (iv) To develop other marks that may be similar to the Proprietary Marks and exclude those similar marks from the Proprietary Marks, in which case you will have no right to use them.

We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating under it if our currently owned Proprietary Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different Proprietary Marks will be beneficial to the System. You will be responsible for all expenses related to the substitution of different Proprietary Marks and must complete the substitution in accordance with the deadlines we reasonably establish.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights:

We do not own any registered patents, and do not have any pending patent applications, that are material to the franchise. We do not own any copyrights that are material to the franchise except as described below.

We claim copyright protection in original materials used in the System, including the Manual, menus, training, and advertising and promotional materials used in the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

Confidential Manuals and Other Confidential Information:

You and your owners must at all times treat the Brand Standards Manual, any other manuals we authorize, and the information contained in those manuals, as confidential. You must not copy, duplicate, record or otherwise reproduce those materials, or make them available to any unauthorized person. The Brand Standards Manual is solely our property and must at all times be kept in a secure place on the Produce Kiosk premises. We may revise the contents of the Brand Standards Manual, and you must comply with each new or changed standard. You must at all times ensure that the Brand Standards Manual is kept current and up-to-date, and, if there is any dispute as to the contents of the Brand Standards Manual, the terms of the master copy of the Brand Standards Manual we maintain at our home office will be controlling.

In addition to our manuals, you and your owners must protect our other confidential information. You and your owners may not, during the term of the Franchise Agreement or after their termination or expiration, communicate, divulge, or use for the benefit of any other person or legal entity, any confidential information, drawings, knowledge, or know-how concerning the methods of development or operation of Produce Kiosks which may be communicated to you or them or of which you or they may learn in operating Produce Kiosks under the Franchise Agreement. You and your owners may divulge the confidential information only to those of your employees as must have access to it in order to develop or operate the Produce Kiosks. You shall be responsible for any improper disclosures of such confidential information by your employees. All information, drawings, knowledge, know-how, and techniques used in or related to the Produce Kiosk which we communicate in writing or otherwise to you, including, software licensed or provided by us, the Brand Standards Manual, recipes, plans and specifications, marketing information and strategies, and site evaluation and selection techniques are confidential for purposes of the Franchise Agreement.

Without limiting any other remedies available to us, if you or your owners fail to comply with the requirements of the Franchise Agreement concerning confidentiality, it will cause us irreparable injury and you and your owners must (in addition to any other remedies we have) pay all our court costs and our reasonable attorneys' fees incurred in obtaining specific performance of, or an injunction against any violation of, the requirements of the agreements concerning confidentiality.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are operating as a corporation, a partnership or other business entity, when you sign the Franchise Agreement, you must designate an individual Owner to serve as your “Managing Owner.”

Your Managing Owner or Operating Partner (as defined below), as applicable, must (i) own the largest percentage share of ownership in you, but in no event less than ten percent (10%), (ii) be authorized by you to bind you in any dealings with us and your authorized distributors, suppliers, and contractors, (iii) be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iv) unless an Operating Partner is appointed, devote his or her full time and best efforts to the operations of the Produce Kiosk with no operational or management commitments to other businesses. Your Managing Owner (or Operating Partner) must also satisfy our training requirements. Except as may be permitted under the Franchise Agreement, the Managing Owner's interest in you must remain free of any encumbrance (including any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options).

We may require you, your Managing Owner, Operating Partner and your other Owners and officers to sign agreements to be individually bound by certain covenants, including covenants protecting our confidential and proprietary information and/or covenants not to compete. We may, at our sole discretion, require your Managing Owner, Operating Partner, and any other of your Owners to guarantee your performance under the Franchise Agreement, including but not limited to your financial obligations. If a guarantee is not required by us upon execution of the Franchise Agreement, we reserve the right if you are in monetary default under the Franchise Agreement (even if cured), to require any or all of your Owners to sign the Guaranty of Franchise Agreement, in addition to our other rights and remedies under the Franchise Agreement.

You cannot change your Managing Owner or your Operating Partner without our prior written consent.

We have the right to require you to comply with covenants against the use and disclosure of any confidential information and covenants not to compete by your Owners, Operating Partners, managers and any other employees or agents who have received or will receive access to our training or confidential information. All of the required covenants must be substantially in the form of those included in the Franchise Agreement attached hereto as **Exhibit A**.

We do not require your spouse to sign any personal guaranty, confidentiality agreement or non-competition agreement unless they are independently an Owner or Operating Partner (as to any personal guaranty) or an Owner, Operating Partner, manager or employee who have received or will receive access to our training or confidential information (as to the covenants in **Exhibit A**).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Produce Kiosk premises solely for the operation of the Produce Kiosk and must keep the Produce Kiosk open and in normal operation for the hours and days we specify in the Manual or otherwise in writing. You must refrain from using or permitting the premises to be used for any other purpose or activity at any time without first obtaining our written consent.

You must meet and maintain the highest applicable health standards and ratings. You must furnish to us, within seven (7) days after receipt, a copy of any inspection report, warning citation, certificate and/or rating which indicates you failed to meet or maintain the highest applicable health or safety standards in operating the Produce Kiosk. If you fail to meet or maintain the health and safety standards or, if there is a public health, safety and/or sanitation emergency involving the Produce Kiosk, then you must temporarily close the Produce Kiosk immediately upon receipt of written notice from us and you shall not re-open the Produce Kiosk until you have (a) cured such health and safety deficiency(-ies) and/or resolved such emergency(-ies) and (b) received written permission from us to re-open the Produce Kiosk.

To ensure that the highest degree of quality and service is maintained, you must operate the Produce Kiosk in strict conformity with the methods, standards, and specifications we require in the Brand Standards Manual, as it is amended in our discretion.

You must purchase all labels, food inventory, and utensils from us or an approved supplier. You must maintain in sufficient supply, and use and/or sell at all times, only the menu items, ingredients, products, materials, supplies, and paper goods that meet our standards and specifications, and must refrain from deviating from those standards by using or offering non-conforming items, without first obtaining our written consent. You are required to offer or sell only the menu items, products, and services as have been expressly approved for sale in writing by us; to offer or sell all types of menu items, products, and services specified by us; to refrain from any deviation from our standards and specifications without first obtaining our written consent; and to discontinue selling and offering for sale any menu items, products, or services which we may, in our discretion, disapprove in writing at any time. We may change the goods and services you are authorized to sell at any time in our discretion, and there are no limits on our right to do so.

You must charge customers the prices we designate for the offer and/or sale of any menu item, products, and/or services.

You are required to offer or sell authorized products and services only at the Produce Kiosk and to refrain from off-premises sales or catering unless expressly authorized by us in writing.

You are prohibited from installing or permitting to be installed on or about the Produce Kiosk premises, any fixtures, furnishings, equipment, computer software, decor, signs, games, vending machines, or other

items not previously approved as meeting our standards and specifications without first obtaining our written consent.

You may only employ advertising materials and promotional activities which conform to the standards and specifications listed in the Brand Standards Manual or otherwise and which have first been approved by us in writing.

You may not advertise, promote, post or list information relating to the Produce Kiosk on the Internet (through the creation of a website or otherwise), including, but not limited to, social channels such as Facebook, Instagram, Twitter, SnapChat, Tumblr or TikTok without our prior written consent.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Category	Section of Franchise Agreement	Summary
a. Length of the term of the Franchise	2.1	1 year from the effective date of your Franchise Agreement, subject to earlier termination for cause.
b. Renewal or extension of the term	2.2	Unless Franchisor or franchisee have delivered written notice to the other party of their intent not to renew the Franchise Agreement least 60 days prior to the expiration of the then-current term, the term shall be renewed for an additional 30-day term, provided the conditions set forth in subsection c below have been satisfied or waived.
c. Requirements for franchisee to renew or extend	2.2(a) thru (f)	To remain a franchisee, you must meet all required conditions at the end of the then-current Term, including signing our then-current form of franchise agreement, which may be materially different from the form attached to this disclosure document, including higher fees and payment of a successor fee. Other conditions are: you must not be in default of any provisions of your Franchise Agreement; you must have satisfied all monetary obligations owed to us or our affiliates; you remain in good standing and acceptable to the Host Location; you must execute a general release; and you must comply with our then-current qualification and training requirements.
d. Termination by Franchisee	Not applicable	Not applicable; provided, however, franchisees may terminate the Franchise Agreement under any grounds permitted by law.

Category	Section of Franchise Agreement	Summary
e. Termination by Franchisor without “cause”	14.9	Subject to state law, we may terminate the Franchise Agreement immediately upon written notice to you for any reason during the Initial Term of the Franchise Agreement or thereafter. However, if we terminate the Franchise Agreement during the Initial Term of the Franchise Agreement without cause, then we will pay to you an amount equal to the Initial Franchise Fee prorated in accordance with the number of days remaining in the Initial Term. No payments will be required during any Holdover Period or Full Renewal Term, or if we terminate the Franchise Agreement for cause in accordance with its terms.
f. Termination by Franchisor with “cause”	14.2, 14.3 and 14.4	Each of your obligations and conditions under the Franchise Agreement is a material and essential obligation or condition, the breach or failure of which may result in termination.
g. “Cause” defined - curable defaults	14.3	If you: abandon the Produce Kiosk unless the Produce Kiosk has been closed for a reason approved in writing by us or due to governmental order or a force majeure event; act or fail to act in a manner that results in a breach of our Occupancy Agreement; lose the right to transact business; engage in conduct that reflects unfavorably on us; fail to comply with your Franchise Agreement, the System, and/or any health, safety, or sanitation law, rule or regulation relating to cleanliness and sanitation, failure to resolve any public health or safety emergency; misuse the Proprietary Marks; enter into a subfranchise or similar agreement or a management or consulting arrangement relating to your Franchise Agreement and/or the Produce Kiosk; fail to pay amounts owed under the Franchise Agreement; fail to open the Produce Kiosk to the general public within 30 days after signing the Franchise Agreement. The ability to cure a default by Franchisee shall be in Franchisor’s sole discretion and to Franchisor’s sole satisfaction.
h. “Cause” defined - defaults which cannot be cured	14.2 and 14.5	If you: become insolvent or make a general assignment for the benefit of creditors; make a transfer in violation of the Franchise Agreement; file a voluntary petition for bankruptcy (or an involuntary petition involving you is filed); are adjudicated bankrupt or insolvent in proceedings filed against you; consent to a bill of equity or other proceeding for the appointment of a receiver or other custodian; have a receiver or other custodian appointed by

Category	Section of Franchise Agreement	Summary
		any court; have proceedings for a composition of creditors instituted; have outstanding judgments against you for over 30 days; are dissolved; have execution levied against your business or property; are sued (or otherwise proceeded against) to foreclose any lien or mortgage against the Produce Kiosk (or equipment therein) and not dismissed within 30 days; have real or personal property of Produce Kiosk sold after levy; are indicted or convicted of a sub franchise crime for which imprisonment is a potential penalty; submit documentation containing any material false/misleading statements or omitting any material facts; violates or deal with anyone who violates any anti-terrorism laws; breach the Franchise Agreement or related agreements; etc. Subject to state law, we may terminate the Franchise Agreement immediately upon notice to you (a) if the Occupancy Agreement is terminated or (b) if the Host Location requires that you be replaced due to your performance.
i. Franchisee's obligations on termination/non-renewal	15.1	You must immediately: cease operating the Produce Kiosk; cease using the System, the Proprietary Marks, the Manual, and the Confidential Information; return the Manual, Confidential Information, all written materials bearing the Proprietary Marks, and all computer hardware and software which may have been provided or licensed by us; cancel any assumed name or equivalent registration which contains the Proprietary Marks and give us evidence of compliance; and within 10 days after termination pay all amounts owed to us under the Franchise Agreement or otherwise. Within 30 days before and after the expiration or termination of your Franchise Agreement we have the option (but not the obligation) to purchase any or all of the furnishings, fixtures, equipment and signs related to your Produce Kiosk for 50% of their original purchase prices and all usable food inventory purchased from Franchisor that Franchisee has on hand at the Host Location and usable food inventory in transit thereto that has already been paid for by Franchisee for 90% of its original purchase price.
j. Assignment of contract by Franchisor	13.1	We have the right to transfer or assign our interest in the Franchise Agreement to any person or entity without restriction.

Category	Section of Franchise Agreement	Summary
k. “Transfer” by Franchisee – defined	13.2	Transfer includes selling, assigning, transferring, conveying, giving away, pledging, mortgaging or otherwise encumbering any direct or indirect ownership interest in Franchisee, Franchise Agreement, the Produce Kiosk, and/or Proprietary Marks.
l. Franchisor approval of transfer by Franchisee	13.2 and 13.3	You must obtain our written consent before transferring any interest described in subsection k. above. We will not unreasonably withhold our consent.
m. Conditions for Franchisor approval of transfer	13.3	You must: pay all amounts due us or our affiliates; not be in default of your Franchise Agreement; execute a general release; pay a transfer fee and potentially an early transfer fee; remain liable for pre-transfer obligations. Your proposed transferee must sign a written agreement agreeing to assume all obligations of your Franchise Agreement; meet our criteria for becoming a franchisee; sign our then-current Franchise Agreement; complete our training program; if proposed transferee is an entity, it must show us its compliance with the representations and warranties and covenants in the Franchise Agreement; and satisfy other reasonable conditions that we require.
n. Franchisor’s right of first refusal to acquire Franchisee’s business	13.6 and Attachment E	Within 30 calendar days after notice, we have the option to purchase the transferred interest on the same terms and conditions.
o. Franchisor’s option to purchase Franchisee’s business	Not applicable	Not applicable
p. Death or disability of Franchisee	13.7	Upon death or permanent disability of any person with an ownership interest in Franchisee, the franchise must be transferred to someone approved by us within two-three months from such death or within six months after notice to Franchisee regarding such permanent disability.
q. Non-competition covenants during the term of the franchise	16.3(a)	Subject to applicable state law, you are prohibited from: diverting or attempting to divert any business or customer to any competitor of ours or taking any actions that injure or prejudice the Proprietary Marks and System; having any interest in any competitive produce kiosk/restaurant business (subject to applicable state law).

Category	Section of Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	16.3(b) and (c)	Subject to applicable state law, for a period of two years after the earliest of the termination or expiration of your Franchise Agreement and the transfer of all of your interest in the Franchise Agreement and for a period of one year after any individual or entity ceases to be a “Franchisee’s Owner”, you and such individual/entity, as applicable, are prohibited from: diverting or attempting to divert any business or customer to any competitor or taking any actions that injure or prejudice the Proprietary Marks and System; having any interest in any competitive produce kiosk/restaurant business located within the United States (subject to applicable state law).
s. Modification of the agreement	20.1	Except for changes we are permitted to make under your Franchise Agreement, no amendment, change, or variance from the Franchise Agreement will be binding unless mutually agreed to and executed by the parties.
t. Integration/Merger clause	20.1	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. We may not disclaim representations made in the disclosure document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	21.2	Subject to state law, either party may submit claims or disputes to non-binding mediation; the non-binding mediation will be conducted through either an individual mediator or a mediation service organization. Otherwise, either party may submit their claims or disputes to be resolved in an arbitration proceeding conducted by JAMS (formerly Judicial Arbitration and Mediation Services).
v. Choice of forum	21.3	Unless contrary to applicable state law and subject to the requirement in Section 21.2 of the Franchise Agreement to resolve disputes by arbitration or mediation, the venue for all court proceedings related to the Franchise Agreement is under the exclusive jurisdiction of the State Courts of Texas, located in Collin County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division. In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and

Category	Section of Franchise Agreement	Summary
		limitations on when claims may be raised. See Sections 21.7 and 21.8 of the Franchise Agreement. We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.
w. Choice of law	21.3	Unless contrary to applicable state law, the Franchise Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules). Any State law regarding the offer and sale of franchises, franchise relationships and/or business opportunities will not apply unless the applicable jurisdictional requirements are met.
x. Temporary Closure or Operation by Us	5.3	In the event of a crisis, including potentially your failure to appear at the Host Location on any given day or habitual food safety concerns raised by the Host Location, we may, among other remedies, require a temporary closure of the Franchised Produce Kiosk and/or take over interim operation of the Produce Kiosk directly or through a designee for such period of time that the crisis (or failure to appear or food safety violations) is fully remedied to our sole satisfaction. During any such period of interim operation, we or our designee will entitled to all profits arising from such period of interim operation.

ITEM 18

PUBLIC FIGURES

We currently do not use any public figure to promote the sale of our franchises.

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 this Item 19 may be given only if: (1) Franchisor provides the actual records of an existing outlet you are considering buying; or (2) Franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial

performance information or projections of your future income, you should report it to the franchisor's management by contacting Lisel Ramirez, 251 Renner Pkwy., Richardson, Texas 75080, 972-402-9498, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1: Systemwide Outlet Summary as of Years 2023 – 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change (+/-)
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company Owned	2023	0	0	0
	2024	0	3	0
	2025	0	0	0
Total Outlets	2023	0	0	0
	2024	0	0	0
	2025	0	0	0

Table No. 2: Transfers of Outlets from Franchisees to New Owners (other than Franchisor) or Other Franchisees as of Years 2023 – 2025

State	Year	Number of Transfers
None	2023	0
	2024	0
	2025	0
Total Outlets	2023	0
	2024	0
	2025	0

Table No. 3: Status of Franchisee-Owned Outlets as of Years 2023 – 2025

State	Year	Outlets at the Start of the Year	Outlets Opened (including Outlets Acquired from Franchisor)	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at the End of the Year
None	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Table 4: Status of Company-Owned Outlets as of Years 2023 – 2025

State	Year	Outlets at the Start of the Year	Outlets Opened (including Outlets Acquired from Franchisees)	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
None	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5: Projected Openings as of December 31, 2025

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Pennsylvania	0		
Total	0	0	0

The names of all current franchisees, and the address and telephone number of each of their outlets are listed in **Exhibit E**.

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee or independent contractor who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with Franchisor during the most recently completed fiscal year or who has not communicated with the Franchisor within 10 weeks of the disclosure document issuance date are listed below in **Exhibit E**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Additionally, if you buy this franchise, your contact information may be disclosed to other buyers while you operate a franchise in the franchise system.

As of the date of this disclosure document, we are not offering to a prospective franchisee any outlets we currently control that were previously owned by a franchisee. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

During the last 3 fiscal years, we have no current or former franchisees who have signed provisions restricting their ability to speak openly to you about their experience with our franchise system.

ITEM 21

FINANCIAL STATEMENTS

Exhibit C contains:

1. Our unaudited, opening balance sheet dated May 29, 2026.

Please note that we have only been in existence since January 2026 and did not start franchising until May 2026 with the issuance of this Disclosure Document, and therefore do not have a balance sheet for two previous fiscal year-ends before this Disclosure Document issuance date or statements of operations, stockholders equity, and cash flows for three previous fiscal years.

We operate on a 4/4/5 fiscal calendar year ending on the Sunday nearest December 31.

ITEM 22

CONTRACTS

Attached as an exhibit to this disclosure document is the following contract and its attachments:

1. Franchise Agreement (with attachments) – **Exhibit A**
2. Form of General Release – **Exhibit G**

ITEM 23

RECEIPTS

Attached as the last 4 pages of this disclosure document are duplicate receipts (each receipt is 2 pages). Please sign and date both receipts and return 1 executed copy to us.

EXHIBIT A to FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

ELITE PRODUCE, LLC FRANCHISE AGREEMENT

(Franchisee Address)

(Franchisee Name)

(Date)

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ATTACHMENT F:	REQUIREMENTS FOR LOCAL ADVERTISING
ATTACHMENT G:	GUARANTY OF FRANCHISE AGREEMENT

* * * * *

ELITE PRODUCE, LLC

FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (including all Attachments hereto, this “Franchise Agreement”) is entered into between Elite Produce, LLC, a Delaware limited liability company (“Franchisor”) and _____ (“Franchisee”, and together with Franchisor, collectively the “Parties”, and individually, each a “Party”) as of _____, 202__ (the “Execution Date”). This Franchise Agreement shall be effective as of that certain date set forth on Schedule A hereto (the “Effective Date”), which shall be subsequently agreed to by the Parties.

Recitals

- Franchisor (and/or its owners, affiliates, and subsidiaries), as the result of the expenditure of time, skill, effort and money, has developed and owns a distinctive system (the “System”) relating to the establishment and operation of produce kiosks (“Produce Kiosks”) which sell cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products (in such combination as the franchisor may determine is appropriate) (“Produce Products”) utilizing the trade name, Elite Produce.
- Produce Kiosks will generally be located at the premises of third-parties (the “Hosts”), initially upscale supermarkets (“Host Locations”), that Franchisor intends to source under leases, licenses or other rights to occupy such Host Location (“Occupancy Agreements”) between the Host Location and Franchisor.
- In exchange for the right to locate Produce Kiosks at Host Locations, the Host retains, pursuant to its Occupancy Agreement or other location agreement, a percentage of revenue collected from Produce Kiosk sales (“Host Payments”).
- At the Produce Kiosks, franchisees prepare their Produce Products dishes daily and which are professionally displayed in ready-to-go containers for the Produce Kiosks’ customers to purchase through the Host Location’s point of sale (“POS”) infrastructure, either to take with them or to consume at the Host Location’s shared common areas.
- All payments for Produce Kiosk products and services are processed by the Host, which forwards the net amounts therefrom, after withholding for sales tax and retaining its Host Payments, to Franchisor. From the net amounts received from the Host, Franchisor retains the fees and expense reimbursements to which it is entitled under this Franchise Agreement as well as any amounts otherwise due Franchisor from Franchisee for inventory, supplies or otherwise, remitting the remaining amount collected to Franchisee; provided that Franchisor intends to (but shall have sole discretion to decide otherwise) not withhold more than 50% of the amounts it receives in payment from time to time from a Host to apply against any such forgoing amounts owing Franchisor.
- The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of menu items, products and services offered; procedures for inventory and management and financial controls; training and support; safety programs; quality control programs; Occupancy Agreements and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.
- Franchisor identifies the System by means of certain tradenames, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, Franchisor’s tradename Elite Produce and such other tradenames, service marks, and trademarks as are now

designated and may hereafter be designated by Franchisor for use in connection with the System (collectively, the “Marks”).

- Franchisor continues to develop and use (and control the use of) the Marks in order to identify for the public the source of menu items, products and services marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service.
- Franchisor has established a high reputation and a positive image with the public as to the quality of menu items, products and services available at Produce Kiosks, which reputation and image have been and continue to be unique benefits to Franchisor and its franchisees.
- Franchisee and Owners (as defined below) understand and acknowledge the importance of Franchisor’s high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications. Attachment C contains a complete list of all owners of any type of interest in Franchisee, showing the type and number of interests owned. If Owners are entities as opposed to natural persons, Franchisee must also set forth on Attachment C the names of the natural persons who own or control such entities. The natural persons who are the ultimate owners of the Franchisee, directly or indirectly through any number of affiliated entities, are herein defined as “Owners”.
- Franchisee desires to use the System in connection with the operation of a Produce Kiosk at the “Location” specified in Attachment A, as well as to receive the training and other assistance provided by Franchisor in connection operating the Produce Kiosk.

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Parties acknowledge is sufficient to create a legally binding agreement, the Parties agree as set forth herein.

ARTICLE 1

GRANT OF FRANCHISE

Section 1.1 Grant of Franchise.

(a) Subject to this Franchise Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the non-exclusive right and obligation to operate a franchised Produce Kiosk (as specified on Attachment A) in accordance with the System only at the location specified on Attachment A (the “Location”) using only the Marks at such kiosk (the “Franchised Produce Kiosk”). During the Term (defined below), Franchisee shall use the Location solely for the operation of the Franchised Produce Kiosk in accordance with this Franchise Agreement and for no other purpose and Franchisee shall not relocate the Franchised Produce Kiosk without the express prior written consent of Franchisor. Franchisee must participate in any delivery and/or takeout program designated by Franchisor via any method, platform or system Franchisor may require in accordance with Franchisor’s standards and procedures. If Franchisor requires Franchisee to participate in such programs, Franchisee will not be granted an exclusive delivery territory in connection with such programs.

(b) Franchisor shall secure, sign and hold the Occupancy Contract. Franchisee shall strictly comply with the terms of the Occupancy Agreement and assure that there arises no breach thereof and Franchisee and its employees and agents shall comply with the Host’s rules, policies and procedures applicable to it at the Host Location of the Franchised Produce Kiosk. Franchisor will provide a copy of the Occupancy Agreement to Franchisee with Franchisor’s trade secrets and other proprietary information redacted. Franchisee or any of Owners shall not enter into any subfranchise agreement, management agreement, operating agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to the rights and obligations of Franchisee hereunder or the management administration or other operation of the Franchised Produce Kiosk. This Franchise

Agreement (including the rights, obligations, duties, and benefits hereunder) is intended solely for the Parties hereto, and no other person or entity shall have any rights, obligations, duties, and benefits under this Franchise Agreement.

(c) Franchisee agrees this Franchise Agreement is strictly limited to the non-exclusive right and obligation to operate a Franchised Produce Kiosk at the Location in accordance with this Franchise Agreement and does not grant any right to develop and/or operate any other Franchised Produce Kiosk.

Section 1.2 **No Territorial Rights**. Franchisee agrees that this Franchise Agreement does not grant any territorial rights, radius restrictions, minimum population requirements, and/or any other requirements which would govern and/or restrict where another Franchised Produce Kiosk may open and operate. Franchisor (on its behalf and on behalf of any other entity which it may acquire, or be acquired by, or otherwise is or becomes affiliated with) retains all rights not expressly granted in this Franchise Agreement.

(a) Franchisee agrees that Franchisor may establish, develop, construct, open, and operate Franchised Produce Kiosks at any location other than the Location (either directly or through a franchise, licensing, joint venture, or any other arrangement).

(b) Franchisor (including its affiliates, partners, and/or authorized representatives) may, at any time, advertise or promote the System and fulfill customer orders in any area, including the areas where the Location is located.

(c) Franchisor may offer and sell (or authorize any person or entity to offer and sell) goods and services displaying the Marks or other tradenames and trademarks (e.g., prepackaged food and beverage items, T-shirts and other memorabilia) to the public through any distribution channel in any area and Franchisee acknowledges such goods or services may be similar to those offered by the Franchised Produce Kiosk.

(d) Franchisor reserves the right to develop and establish other tradenames, service marks, trademarks, logos, emblems and indicia of origin which may be similar to, or different from, the Marks (collectively, the “Other Marks”). The Other Marks shall be separate and distinct from the Marks referenced in this Franchise Agreement; therefore, (i) Franchisee shall have no rights to the Other Marks, and (ii) Franchisor (on its own behalf and on behalf of any other entity which it may acquire, or be acquired by, or otherwise is or becomes affiliated with) reserves the right to establish, develop, construct, open, and operate kiosks, other food service operations and other businesses, including a food delivery business, under the Other Marks at any location, including in the area of the Location (either directly or through a franchise, licensing, joint venture or any other arrangement). The Other Marks may include, without limitation, brand extensions or related brands of Franchised Produce Kiosks such as counter-service kiosks, quick-service kiosks or other such kiosks, and the Other Marks may include such kiosks operating under a similar tradename.

(e) Franchisee releases and shall hold harmless (i) Franchisor and its owners, subsidiaries, affiliates, developers, lawyers, accountants, and other professional advisers, representatives, servants, independent contractors and agents, and (ii) the respective owners, subsidiaries, affiliates, lawyers, accountants, and other professional advisers, representatives, servants, independent contractors and agents of each of the foregoing, and the respective successors and assigns of any of those described in the preceding clauses (i) and (ii) (collectively, the “Franchisor Parties”), from any and all Damages (as defined in Section 17.5) which Franchisee may claim to have arising out of, or related to, the exercise by Franchisor or any other Franchisor Party of the rights reserved to Franchisor under this Section 1.2, including, without limitation, any claim related to an alleged cannibalization of Gross Sales (defined in Section 4.2(c)) and

any claim related to the right to establish, develop, construct, open, and operate Franchised Produce Kiosks and other kiosks or food service operations, and other businesses under the Other Marks at any location (either directly or through a franchise, licensing, joint venture, or any other arrangement).

ARTICLE 2

TERM AND SUCCESSOR FRANCHISE AGREEMENT

Section 2.1 **Term.** Unless sooner terminated in accordance with this Franchise Agreement, the “Term” of this Franchise Agreement shall commence on the Effective Date and continue for an initial period of 1 year (the “Initial Term”). If the Initial Term expires before a Successor Franchise Agreement has been signed, then this Franchise Agreement shall automatically renew for successive thirty (30) day holdover periods (each, a “Holdover Period”) unless and until a Successor Franchise Agreement is executed in accordance with Section 2.2 of this Franchise Agreement, this Franchise Agreement is terminated for cause or this Franchise Agreement is not renewed for a Full Renewal Term (as defined below), each as expressly permitted herein. Notwithstanding anything to the contrary, during any Holdover Period, Franchisor may terminate this Franchise Agreement effective immediately upon delivery of notice to Franchisee in accordance with Article 19, for any reason or no reason, and without liability except as expressly required by applicable law.

Section 2.2 **Renewal and Successor Franchise Agreement.**

(a) Prior to the expiration of the Initial Term, any applicable Holdover Renewal Period or any applicable Full Renewal Term, Franchisor may deliver to Franchisee its written notice of non-renewal to Franchisee at least fifteen (15) days prior to the end of the Initial Term, applicable Holdover Renewal Period or applicable Full Renewal Term. Separately and alternatively, if Franchisee intends not to renew this Franchise Agreement prior to the end of the Initial Term, applicable Holdover Renewal Period or applicable Full Renewal Term, Franchisee shall deliver its written notice of non-renewal to Franchisor at least sixty (60) days prior to the end of the then-current Term or applicable successor term (each of the foregoing dates the “Renewal Notice Date”).

(b) If both Franchisor and Franchisee desire to renew the rights for the Franchised Produce Kiosk for a full 1 year renewal period (each a “Full Renewal Term”) prior to the end of the Initial Term, applicable Holdover Renewal Period or applicable Full Renewal Term, then Franchisor will prepare and offer to Franchisee to sign either a new form Successor Franchise Agreement (as defined below) or an amendment to this Franchise Agreement (at Franchisor’s discretion) documenting the grant of the Full Renewal Term, subject in all cases to Franchisee satisfying any or all of the following renewal conditions (unless waived by Franchisor at its option) before entry into such Successor Franchise Agreement or amendment to this Franchise Agreement:

(i) As of the Renewal Notice Date and the date of the expiration of the then current Term, Franchisee shall not be in default of any provision of this Franchise Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof.

(ii) As of the Renewal Notice Date and as of the expiration of this Franchise Agreement, Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates and shall have timely met those obligations throughout the Term of this Franchise Agreement.

(iii) Franchisee and Owners shall execute the Successor Franchise Agreement (defined as the then-current form of franchise agreement in use by Franchisor) or an amendment to this Franchise Agreement (at Franchisor's discretion), provided that a Successor Franchise Agreement is required it will supersede this Franchise Agreement in all respects as of the date such Successor Franchise Agreement is effective, and the terms of which may substantially differ from the terms of this Franchise Agreement, including, without limitation, the Franchise Fee (as defined below) and percentage payment due as advertising fees.

(iv) Upon the grant of each Full Renewal Term, Franchisee shall pay a renewal fee between \$500 and \$6,500.

(v) Franchisee and each Owner shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor Parties.

(vi) Franchisee shall comply with Franchisor's then-current qualification and operations training requirements.

(vii) Franchisee remains in good standing with and continues to be acceptable to the Host Location.

ARTICLE 3

TRAINING AND OPENING REQUIREMENTS

Section 3.1 **Initial Management Training.** In connection with the opening of a Franchised Produce Kiosk, Franchisor shall provide (on such dates and at such locations as determined by Franchisor) an initial operational training program for Franchisee's Managing Owner and Operating Partner (as defined in Section 7(b)) and Franchisee agrees that such personnel must complete such operational training program to Franchisor's satisfaction prior to opening of each such Franchised Produce Kiosk (the "Initial Management Training").

(a) If the Managing Owner has completed the Initial Management Training and he or she will be opening a second or more Franchised Produce Kiosk(s), then Franchisor may, at its option, require such Managing Owner to receive additional training together with the Operating Partner.

(b) Any person subsequently employed by Franchisee in a management position at a Franchised Produce Kiosk and each subsequent Managing Owner and Operating Partner, if any, shall attend and complete, to Franchisor's satisfaction, the Initial Management Training and, in such event, Franchisee shall pay to Franchisor a training fee of \$5,000 per each subsequent Managing Owner and Operating Partner requiring training, and Franchisee shall also be solely responsible for all expenses incurred by its training personnel, including airfare costs, rental car costs and other travel costs, lodging costs, meals and food costs, and other similar costs (such expenses collectively referred to herein as "**Reimbursable Expenses**") incurred by Franchisor in connection with its personnel providing such training.

Section 3.2 **Other Assistance.** Franchisor may, at its option, provide such continuing advisory assistance to Franchisee in the operation of the Franchised Produce Kiosk, as Franchisor deems advisable.

(a) Franchisor may make available, from time to time, research data and other materials relating to merchandising, marketing, and advertising.

(b) Franchisor may, from time-to-time and at its option, provide to Franchisee advice and written materials concerning techniques of managing and operating the Franchised Produce Kiosk,

including, without limitation, information regarding new developments and improvements in kiosk equipment, food products, packaging and preparation.

(c) Franchisor may, from time-to-time and its sole option, advance inventory and supplies to Franchisee on terms set forth by Franchisor at the time of any such advancement and deduct the normal costs charged to Franchisees for such inventory and supplies as well as interest, late fees, or any other costs or expenses incurred by Franchisor in connection with such arrangement from Franchisee's share of the revenue of the Franchised Produce Kiosk.

Section 3.3 **Supplemental Training.** In addition to the Initial Management Training, Franchisor reserves the right to require Franchisee, Managing Owner, Operating Partner and other personnel at the Franchised Produce Kiosk to attend supplemental training courses, including via online compliance modules and at the Franchised Produce Kiosk, at times and locations determined by Franchisor and all Reimbursable Expenses associated with such supplemental training shall be Franchisee's sole responsibility. Franchisor reserves the right to charge a fee to Franchisee for such supplemental training courses and training materials.

Section 3.4 **Opening Requirements.** In connection with the opening of the Franchised Produce Kiosk, Franchisee shall conduct, at Franchisee's expense, such promotional and advertising activities as Franchisor may require. Franchisee agrees that Franchisor, in its reasonable business judgment, may require that the Franchised Produce Kiosk be supported, in whole or in part, by an opening crew composed of trained representatives of Franchisor before and after the date of opening of the Franchised Produce Kiosk. Franchisee's management team shall be at the Franchised Produce Kiosk prior to the Franchised Produce Kiosk opening as directed by Franchisor (for a period not to exceed two weeks prior to opening) and no opening crew will be furnished by Franchisor until Franchisor's representative approves the Franchised Produce Kiosk as ready for training and then opening. Franchisee further agrees to reimburse Franchisor for all reasonable Reimbursable Expenses incurred in providing such opening crew for the Franchised Produce Kiosk.

Section 3.5 **Authorization to Open.** Prior to opening the Franchised Produce Kiosk for business, Franchisee shall comply with all opening requirements set forth in this Franchise Agreement, the Brand Standards Manual (as defined below), and/or elsewhere in writing by Franchisor. Franchisee shall not, in any event, open the Franchised Produce Kiosk to the public for business until Franchisee has received authorization to open from Franchisor.

Section 3.6 **Release by Franchisee.**

(a) Franchisor assumes all cost, liability, expense, and responsibility for locating, obtaining, and developing the Franchised Produce Kiosk and for constructing and equipping the Franchised Produce Kiosk (other than equipment, ingredients, inventory, utensils and other supplies needed to operate on a day-to-day basis, which Franchisee shall procure pursuant to the terms of this Agreement). Franchisee acknowledges that Franchisor's selection of a prospective site does not constitute a representation, promise, warranty, or guarantee by Franchisor that the Franchised Produce Kiosk will be profitable or otherwise successful. Franchisee releases Franchisor and shall hold Franchisor Parties harmless from any and all Damages (as defined in Section 17.5) which may arise from Franchisor's locating, obtaining, and developing the Franchised Produce Kiosk and for equipping the Franchised Produce Kiosk.

(b) Franchisee releases Franchisor and shall hold Franchisor Parties harmless from any and all Damages which may arise from Franchisee's operation of the Franchised Produce Kiosk.

ARTICLE 4

FEES AND PAYMENTS

Section 4.1 **Initial Franchise Fee; Management Fee; Order Processing Fee.** Franchisee shall pay to Franchisor an initial franchise fee of up to \$50,000 (minimum of \$5,000) (the “Initial Franchise Fee”) (as set forth on Attachment C), on the Execution Date unless otherwise agreed by Franchisor. Notwithstanding anything herein to the contrary, within ninety (90) days following the Execution Date, Franchisor shall be entitled to retain up to fifty percent (50%) of the Initial Franchise Fee if Franchisee fails to (i) agree to an Effective Date with Franchisor within such 90-day period, or (ii) begin operations of the Franchised Produce Kiosk on the Effective Date due to Franchisee’s acts or omissions; provided, however, that Franchisor shall return the entire Initial Franchise Fee to Franchisee if within ninety (90) days following the Execution Date, Franchisor fails to agree to an Effective Date with Franchisee or the Franchised Produce Kiosk cannot begin operations prior to the 90th day following the Execution Date solely due to Franchisor’s acts or omissions or the acts or omissions of the Host(s) at a Host Location, including any such acts or omissions by the Host(s) at a Host Location as a result of state and federal laws and regulations. In the event the Franchised Produce Kiosk cannot begin operations prior to the 90th day following the Execution Date solely due to Franchisor’s acts or omissions or the acts or omissions of the Host(s) at a Host Location, the return of the Initial Franchise Fee shall be Franchisee’s sole remedy for any Damages incurred by the Franchisee. The right of Franchisor to retain up to fifty percent (50%) of the Initial Franchise Fee shall be in addition to any other fees, rights and remedies available to Franchisor for Franchisee’s early termination under Section 14.4 of this Agreement. Upon payment, subject to the foregoing rebate, the Initial Franchise Fee shall be deemed fully earned and nonrefundable in consideration for administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor’s lost or deferred opportunity to franchise others. In consideration for the ongoing administrative, advisory, inspection and other expenses of Franchisor, for each Franchised Produce Kiosk, Franchisee shall pay to Franchisor a biweekly management fee in an amount equal to the greater of \$400 or 2% of the prior biweekly period’s Gross Sales of such Franchised Produce Kiosk (the “Management Fee”), unless such fee is otherwise set forth on the signature page hereto. The Management Fee shall be paid on or before the Monday of the next biweekly period, subject to the Revenue Processing Period (as herein defined). Franchisee may request to order certain inventory or supplies through accounts maintained by Franchisor. For each such order, Franchisor may charge a processing fee of \$50 in such event.

Section 4.2 **Franchise Earnings and Definition of Gross Sales.**

(a) **Franchisee Earnings.** During the Term (and in consideration of Franchisee’s operation of the Franchised Produce Kiosk in accordance with the terms of this Franchise Agreement), Franchisor shall pay to Franchisee a continuing biweekly fee in an amount equal to ____% of Gross Sales, as defined below (the “Franchisee Earnings”). Franchisor can deduct biweekly any and all amounts owed to it by Franchisee, under this Agreement, from any Franchisee Earnings it owes to Franchisee; provided, however, that Franchisor intends (but shall have sole discretion to decide otherwise) to not deduct more than 50% biweekly of the amount received from the Host to apply against amounts owed to Franchisor by Franchisee. Franchisee promises to repay all remaining amounts owing to Franchisor in the event the amount withheld from the Franchisee Earnings is insufficient to repay all amounts owing to Franchisor at such time.

(b) **Franchisee Payment and Reporting Date.** The Host will provide Franchisor with a biweekly Gross Sales report in arrears. Franchisor is paid directly by the Host according to the Gross Sales report, the first of which may not be received until four to eight (4-8) weeks after the commencement of operations at a particular Host Location. Accordingly, and subject to Franchisor’s receipt of the Host’s initial Gross Sales report and payment by the Host to Franchisor of all amounts due to Franchisor related to such Gross Sales report, Franchisor will begin paying the Franchisee Earnings, less any required fees or amounts payable by the Franchisee to the Franchisor, no later than eight (8) weeks after the Franchised Produce

Kiosk begins operating (the “Revenue Processing Period”) for the first biweekly period of its operations and thereafter will continue to pay the Franchisee Earnings, less any required fees or amounts payable by the Franchisee to the Franchisor, to Franchisee biweekly for the subsequent biweekly periods completed, subject to Franchisor’s receipt of the Host’s Gross Sales report for the applicable biweekly period and payment by the Host to Franchisor of all amounts due to Franchisor related to such Gross Sales report. Franchisor shall not be held liable for any delayed payments of Franchisee Earnings to the Franchisee that are a result of any delay by the Host to timely deliver the Gross Sales report and amounts due thereunder to Franchisor.

(c) Underpayment; Overpayment. In the event Franchisee determines the amount of Franchisee Earnings remitted by Franchisor is incorrect as a result of an underpayment of such Franchisee Earnings, Franchisee shall promptly deliver written notice of such underpayment to Franchisor. Franchisor shall have thirty (30) days to review its books and records and the Gross Sales report delivered by the Host after the date Franchisor receives the written notice from Franchisee under this Section 4.2(c), by which thirty (30) day period Franchisor shall either deliver a written report, along with sufficient documentation, that such Franchisee Earnings were accurate or deliver the additional amount of Franchisee Earnings to resolve the underpayment. In the event of underpayment, Franchisor shall not be deemed to be in breach of this Agreement prior to receiving the written notice from Franchisee regarding the underpayment or during the thirty (30) day review period provided under this Section 4.2(c). In the event Franchisor determines that it has overpaid any amount of Franchisee Earnings to Franchisee, Franchisor shall deliver a written notice to Franchisee containing sufficient details and accompanying documentation to demonstrate the overpayment. Franchisor shall be permitted to offset any such overpayment against the next payment of Franchisee Earnings due and payable to the Franchisee.

(d) Gross Sales. The term “Gross Sales” shall include the total amount of revenue collected from the sale of all goods or services provided by and/or from the Franchised Produce Kiosk and all other income of every kind and nature related to the Franchised Produce Kiosk (including, without limitation, the full value of on-premise sales, whether for cash or credit and with no deductions or exclusions whatsoever), except (i) federal, state, or municipal sales taxes collected by Host or Franchisee from customers and paid by Host to the appropriate taxing authority and (ii) any refunds, returns or credit card chargebacks.

Section 4.3 Other Payments. Any payments required to be paid by Franchisee to Franchisor under this Franchise Agreement must be received by Franchisor within ten (10) days of Franchisee’s receipt of any billing statement or invoice therefor, and shall be paid to Franchisor at:

Elite Produce, LLC
251 Renner Pkwy.
Richardson, TX, 75080

Section 4.4 Late Charge and Interest on Late Payments. Any payment not actually received by Franchisor on or before the date on which such payment is due shall be deemed as late. To compensate Franchisor for the increased administrative expense of handling late payments, Franchisor has the right to charge a late charge for each delinquent payment, in the amount of five percent (5%) of the amount due, which late charge is due upon making the delinquent payment. In addition to such late charge, Franchisee shall pay Franchisor interest on such late payment from the date it was due until paid at the lesser of (a) eighteen percent (18%) per annum and (b) the maximum rate permitted by applicable law. Entitlement to such interest shall be in addition to any other remedies Franchisor may have. Franchisee agrees this section does not constitute Franchisor’s agreement to accept payments after they are due or a commitment by Franchisor to extend credit to Franchisee or otherwise finance the operation of the Franchised Produce Kiosk.

Section 4.5 **Application of Payments/No Refunds/No Offset.** Regardless of any designation by Franchisee, Franchisor has the right to apply any payments by Franchisee to any of Franchisee's past due indebtedness, interest, credit card fees, late fees, attorneys' fees, costs arising from indemnification obligations or any other indebtedness or amounts owed to Franchisor. Except as expressly set forth in this Agreement, under no circumstances will any amounts paid or Payable to us be refunded by Franchisor for any reason. Franchisee shall not withhold, retain, deduct, credit, and/or offset any amounts which may be owed by Franchisor to Franchisee against any amounts due from Franchisor to Franchisee.

Section 4.6 **Method of Payments Through Hosts.** For Franchised Produce Kiosks at Host Locations where menu items, Pan-Asian Food and services are paid for by the Franchised Produce Kiosk's customers through the Host's POS infrastructure (the "Host POS Method"), Franchisee shall not receive direct payments from customers for such sales. Instead, customer payments are made directly to the Host. Franchisee further acknowledges and agrees that all sales will be made through cash registers and/or payment systems of the Host and that Franchisee shall not make any sales through any other cash registers or payment systems.

(a) Under the Host POS Method, the Host shall retain from the Franchised Produce Kiosk its Host Payments. As noted above, the Host Location and the Occupancy Agreement shall be sourced and negotiated exclusively by Franchisor. The Host Payments shall be established from time-to-time through negotiation directly and exclusively between Franchisor or Franchisor's affiliate and Host, may vary from Franchised Produce Kiosk to Franchised Produce Kiosk and may fluctuate during the term of this Franchise Agreement. In no event shall Franchisee or Owners or their respective employees or agents have any negotiations or other communications with any Host as to any Occupancy Agreement terms or Host Payments. If a Host shall initiate any such communications with Franchisee, Franchisee shall promptly direct them to Franchisor and fully inform Franchisor of such communications.

(b) Upon the Host remitting to Franchisor the Gross Sales from the Franchised Produce Kiosk at the Host Location less the Host Payment, Franchisor shall first retain all amounts owed to it by Franchisee under this Agreement before paying the Franchisee Earnings, subject to the intended 50% cap on retained funds described in Section 4.2(a) of this Agreement.

(c) Franchisor does not guaranty the payment due from Franchisor to Franchisee, and Franchisor shall have no obligation to pay Franchisee until Franchisor first receives remittance of Gross Sales less the Host Payment from the Host.

Section 4.7 **Method of Payments Not Through Hosts.** Franchisor shall have the right to unilaterally modify the payment structure provided for in Section 4.6 at any time. In the event Franchisor payment arrangements are modified such that customer payments are made directly to the Franchised Produce Kiosk, all amounts not owed to Franchisee pursuant to this Franchise Agreement shall be paid to and received by Franchisor (or any third party so designated by Franchisor) on or before the date such amount is due. All such payments must be made by wire transfer, ACH, electronic payment or other mechanism as designated from time to time by Franchisor, and each payment shall be accompanied by the electronic, digital or other reports as specified by Franchisor. Franchisor may charge Franchisee an administrative payment fee up to 2% of the total amount of the payment if Franchisee pays via any alternative payment method, such as credit card. Franchisee shall not withhold, retain, deduct, credit, and/or offset any amounts which may be owed by any Franchisor Party to Franchisee (and/or its affiliates or subsidiaries) against any amounts due from Franchisee to Franchisor.

Section 4.8 **Payment by Pre-Authorized Bank Transfer.** Franchisee agrees to execute and complete the Authorization Agreement in Attachment D, and/or such other documents as Franchisor may require from time to time, to authorize and direct Franchisee's bank or financial institution to pay and

deposit directly to Franchisor's account, and to charge to Franchisee's account, the amount of the NAP Fee (defined in Section 11.2(a) below) and other amounts due and Payable to us by Franchisee pursuant to this Franchise Agreement. Franchisee's authorizations will permit Franchisor to initiate debit entries and/or credit correction entries to Franchisor's account for the amount of such fees and other amounts then Payable to us from Franchisee. Franchisee agrees to maintain, at all times during the term of this Agreement, a balance in Franchisee's account at Franchisee's bank or financial institution sufficient to allow the appropriate amount to be debited from Franchisee's account for payment of such fees and other amounts payable by Franchisee for deposit in Franchisor's account.

Section 4.9 **Taxes Generally.** Franchisee shall promptly pay when due all taxes, duties, and/or fees levied or assessed (including, without limitation, gross receipts taxes, franchise taxes, sales taxes, withholding taxes, value added taxes, and/or any similar taxes or fees) and all accounts and other indebtedness of every kind incurred by Franchisee under this Franchise Agreement (collectively, "Taxes"). In the event of any bona fide dispute as to Franchisee's liability for Taxes, Franchisee may contest the validity or the amount of such Taxes in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against this Franchise Agreement, the Franchised Produce Kiosk, and/or Location (or any improvements thereon).

(a) All payments made by Franchisee to Franchisor under this Franchise Agreement shall be paid in U.S. Dollars and, except as otherwise provided in this Agreement, shall be paid by Franchisee to Franchisor without any retention, deduction, credit, and/or offset for any Taxes.

(b) Any Taxes imposed upon or with respect to this Franchise Agreement or any materials, supplies or specifications acquired by or provided to Franchisee pursuant to or in connection with this Franchise Agreement shall be paid by Franchisee.

(c) In the event Franchisor is required under applicable law or otherwise elects (all as determined by Franchisor in its sole discretion) to pay any Taxes to the appropriate taxing authority(ies) which govern the Location subject to this Franchise Agreement, then Franchisee shall immediately pay to Franchisor an amount equal to any amount(s) so paid by Franchisor to such taxing authority(ies).

(d) Franchisee consents to the electronic delivery of all tax forms for which Franchisor is required or elects to deliver to Franchisee.

Section 4.10 **Texas Margin Tax.** For purposes of the Texas Margin Tax, Franchisor's performance of the services specified in this Franchise Agreement will cause it to conduct part of the active trade or business of Franchisee in connection with collecting cash payable to Franchisee, and the compensation specified herein includes both the payment of fees to Franchisor and the reimbursement of specified costs incurred in Franchisor's conduct of the active trade or business of Franchisee. Franchisor and Franchisee intend Franchisor to be, and shall treat Franchisor as, a "management company" within the meaning of Section 171.0001(11) of the Texas Tax Code. Franchisee and Franchisor will apply Sections 171.1011(m-1) and 171.1013(f)-(g) of the Texas Tax Code to Franchisor's reimbursements paid to it pursuant to this Franchise Agreement of specified costs and wages and compensation. Franchisor and Franchisee further recognize and intend that (i) as a result of the relationship created by this Franchise Agreement, reimbursements paid to the Franchisor pursuant to this Franchise Agreement are "flow-through funds" that Franchisor is mandated by law or fiduciary duty to distribute, within the meaning of Section 171.1011(f) of the Texas Tax Code, and (ii) as a result of Franchisor's contractual duties under this Franchise Agreement, certain reimbursements hereunder and payments to Franchisee are "flow-through funds" mandated by contract to be distributed within the meaning of Section 171.1011(g) of the Texas Tax Code.

Section 4.11 **Payment Card Use.** Franchisor will provide Franchisee with a payment card (if qualified for the use of such payment card or other financing) to use to pay for all of Franchisee's inventory; provided that Franchisee must use the payment card or other financing (if provided) to only purchase such inventory. Franchisor will withhold the current amount due on the card from each payment of Franchisee's Earnings; provided, that it is the intention, but not an obligation, that Franchisor will not withhold more than 25% from each payment of Franchisee's Earnings at the time such payment is made to Franchisee. Franchisee shall at all times remain obligated to repay (in combination with the funds withheld from each payment of Franchisee's Earnings) the card in full, including if the funds withheld by Franchisor are insufficient to repay the card in full. This payment card will be issued by a financial institution selected by Franchisor, and amounts drawn on this payment card will accrue interest at such financial institution's then-applicable interest rate.

ARTICLE 5

FRANCHISOR'S BRAND STANDARDS MANUAL, PUBLIC RELATIONS, AND CRISIS COMMUNICATIONS

Section 5.1 **Brand Standards Manual.** The term "Brand Standards Manual" means the then-current manuals, policies, specifications, standards, checklists, evaluation forms, spreadsheets, guides, recipes, handbooks, documents, and other information designated by Franchisor from time-to-time regarding the System and Franchised Produce Kiosks. The Brand Standards Manual is part of the System and may be updated, modified, and/or revised by Franchisor from time-to-time in its sole discretion. The Brand Standards Manual also includes such other manuals, policies, specifications, standards, guides, documents, and other information as may be designated by Franchisor in the future with respect to Franchised Produce Kiosks. The Brand Standards Manual also includes certain information with respect to fees and penalties which may be levied against the Franchisee for violations or breaches of the Brand Standards Manual and/or this Agreement, including, without limitation, failure of the Franchisee to maintain consistent ordering practices with respect to Products and unapproved or non-conforming Products. The Brand Standards Manual, including such fee and penalty information, is hereby incorporated into this Agreement by reference.

(a) During the Term, Franchisee shall remain in, and shall operate the Franchised Produce Kiosk in, strict conformity with the System and the Brand Standards Manual.

(b) Franchisor has the right, at its option, to furnish the Brand Standards Manual to Franchisee in the form of paper copies, electronic copies, or electronic copies accessed through the Internet, designated website(s), or other media. Franchisor may update, modify, and/or revise such website from time-to-time in its sole discretion.

(c) Franchisor has the right to update, modify, and/or revise the System and/or the Brand Standards Manual in the future to reflect changes to Franchised Produce Kiosks and changes in the System, image, specifications, standards, procedures, approved products, and other items. In such event, Franchisee shall thereafter comply with the System and/or Brand Standards Manual, as updated, modified, and/or revised.

Section 5.2 **Franchisee's Use of Brand Standards Manual.** With respect to Franchisee's use of the Brand Standards Manual, Franchisee agrees that:

(a) Franchisee and Owners shall at all times treat the Brand Standards Manual (including the information therein) as confidential, and shall use all reasonable efforts to maintain the confidentiality of such manuals (and the information therein).

(b) Franchisee and Owners shall not at any time copy, duplicate, record or otherwise reproduce the Brand Standards Manual, in whole or in part, nor otherwise make the same available to any unauthorized person.

(c) The Brand Standards Manual shall at all times remain the sole property of Franchisor.

(d) Franchisor may from time to time supplement and/or modify the Brand Standards Manual and Franchisee expressly agrees that such supplements and/or modifications shall be effective upon receipt and Franchisee shall promptly comply with all such supplements and/or modifications.

(e) To the extent that Franchisee maintains a hardcopy(ies) of the Brand Standards Manual (or any portion thereof), Franchisee shall at all times maintain the Brand Standards Manual in a secure place at the Franchised Produce Kiosk and shall ensure the Brand Standards Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Brand Standards Manual, the terms of the master version of the Brand Standards Manual maintained by Franchisor on Franchisor's website referenced above or at Franchisor's home office shall control.

(f) If applicable and if Franchisee's copy of the Brand Standards Manual is lost, destroyed or significantly damaged, Franchisee will immediately notify Franchisor and will be obligated to obtain from Franchisor a replacement copy of the Brand Standards Manual for a replacement fee of \$2,000.

Section 5.3 **Public Relations and Crisis Communications.** Franchisee agrees that:

(a) In the event a public relations matter or health or safety crisis arises, Franchisee must immediately inform Franchisor of the matter or crisis and Franchisor reserves the right (but shall not be obligated) to direct and control any and all crisis communications on behalf of Franchisee and the Franchised Produce Kiosk. Franchisee shall also alert Franchisor to any potential crisis situation which Franchisee reasonably believes may be developing.

(b) Franchisee may retain its own local public relations firm for its day-to-day public relations needs and must inform Franchisor of the firm's identity.

(c) Franchisee shall not distribute any press release to the media without the prior written consent of Franchisor, in its sole discretion.

(d) Unless otherwise required by applicable law or when truthfully conveying Franchisee's experience as a franchisee of Franchisor, Franchisee shall not make any disparaging, defamatory or negative remarks regarding Franchisor, its affiliates, or any of its or their products, vendors, suppliers, services or personnel to any person or entity (including the Host Location).

(e) Depending on the nature of the crisis, including potentially Franchisee's failure to appear at the Host Location on any given day or habitual food safety concerns raised by the Host Location, Franchisor may, among other remedies, require a temporary closure of the Franchised Produce Kiosk and/or take over interim operation of the Produce Kiosk directly or through a designee for such period of time that the crisis (or failure to appear or food safety violations) are fully remedied to Franchisor's sole satisfaction. During any such period of interim operation, Franchisor or its designee will be entitled to all profits arising from such period of interim operation.

ARTICLE 6
FRANCHISEE'S REPRESENTATIONS AND CERTAIN COVENANTS

Section 6.1 **Franchisee's Representations.** Franchisee represents, warrants and covenants as set forth below.

(a) If Franchisee is a corporation, limited liability company, or partnership, then Franchisee is duly organized and validly existing under the law of its state of formation and is duly qualified and authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification.

(b) Franchisee's corporate charter, articles or certificate of incorporation, articles or certificate of organization, shareholder agreements, limited liability company agreement, written partnership agreement, bylaws and/or other organizational documents ("Organizational Documents") shall at all times provide that the activities of Franchisee are confined exclusively to operating the Franchised Produce Kiosk unless otherwise consented to by Franchisor in writing.

(c) The execution of this Franchise Agreement and the performance of Franchisee's obligations hereunder have been duly authorized by Franchisee and are within Franchisee's corporate, limited liability company or partnership power and permitted under Franchisee's Organizational Documents.

(d) If Franchisee is an entity, then Franchisee has delivered to Franchisor copies of all of Franchisee's constituting documentation, whether Organizational Documents or resolutions of the board of directors, board of managers, managing members or general partners authorizing entry into and performance of this Franchise Agreement, other governing documents and any amendments thereto.

(e) Attachment C contains a complete list of all Owners and their percentage ownership of the voting securities of the Franchisee. Franchisee shall maintain a current list of Owners and such list shall be certified by the Managing Owner and furnished to Franchisor upon Franchisor's request. Without limiting Article 13, in the event the list of Owners changes, Franchisee shall promptly execute an addendum to Attachment C to ensure the information contained in Attachment C complies with this Franchise Agreement.

(f) If Franchisee is an entity, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities of Franchisee and each certificate, if any, representing equity ownership of the entity shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Franchise Agreement and its applicable constituting documents shall provide that ownership of an interest in Franchisee is held subject to all restrictions imposed upon assignments by this Franchise Agreement.

(g) If any director (or person serving in a similar capacity for a non-corporate entity) or officer of Franchisee shall cease to serve as such or any individual shall be elected or appointed as a director or officer of Franchisee subsequent to the execution of this Franchise Agreement, then Franchisee shall provide Franchisor with notice thereof within ten (10) days subsequent to such change. In the event such newly-elected officer or director is a "Managing Owner" or "Operating Partner" (as defined in Section 7.2(b)), then Franchisee shall cause such newly- elected director or officer to comply with the relevant portions of this Franchise Agreement.

(h) At the sole discretion of Franchisor, Franchisor may require the Managing Owner, Operating Partner, and any other Owner to execute the Guaranty in the form set forth on Attachment G upon execution of this Franchise Agreement. If no Guaranty is executed with this Franchise Agreement, in the event of a monetary default under this Franchise Agreement (even if such monetary default is cured), Franchisor reserves the right to require the Managing Owner any other Owner to sign the Guaranty in the form set forth on Attachment G, in addition to Franchisor's other rights and remedies hereunder.

(i) Franchisee acknowledges and agrees that the representations, warranties and covenants set forth in this Section 6.1 are continuing obligations of Franchisee and that any failure to comply or failure of compliance with such representations, warranties and covenants shall constitute a material event of default under Article 14 pursuant to which Franchisor may terminate this Franchise Agreement in addition to such other rights and remedies available to Franchisor hereunder. Franchisee shall cooperate with Franchisor in any efforts made by Franchisor to verify Franchisee's compliance with such representations, warranties and covenants.

Section 6.2 **Background Information.** Franchisee agrees to promptly provide information regarding Franchisee, Managing Owner, Operating Partner, Owners, and other senior level individuals associated with Franchisee and/or the Franchised Produce Kiosk as Franchisor may request from time-to-time for the purpose of conducting background checks and security clearances. Franchisee shall fully cooperate with Franchisor in respect of any requirements of law that are implicated by Franchisor's right to obtain background checks hereunder, including, without limitation, any consents or approvals from the subjects of such background checks as may be required by applicable law.

ARTICLE 7

OPERATION OF THE FRANCHISED PRODUCE KIOSK

Section 7.1 **Operation of the Franchised Produce Kiosk.** During the Term, Franchisee shall operate the Franchised Produce Kiosk in a first-class manner and in strict conformity with the System and the Brand Standards Manual (and such other required methods, standards and specifications as Franchisor may from time to time prescribe in the Brand Standards Manual or otherwise) which Franchisee acknowledges exist to protect the System and the Marks. In the event of an update, modification, and/or revision to the System and/or Brand Standards Manual, Franchisee shall thereafter comply with the System and/or Brand Standards Manual, as updated, modified, and/or revised. Franchisee acknowledges that every detail of the Franchised Produce Kiosk is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect Franchisor's reputation and goodwill. Furthermore, Franchisee agrees:

(a) To purchase all labels, food inventory, utensils and other supplies in accordance with the Brand Standards Manual and maintain in sufficient supply, and to use and/or sell at all times, only such ingredients, Pan-Asian Food, food items, supplies, materials, equipment and paper goods (collectively, "Products") and menu items that conform with Franchisor's standards and specifications, and to refrain from deviating therefrom, including by the use or offer of non-conforming items, without Franchisor's prior written consent. Franchisee shall label all products for sales tracking processing using a label machine approved by Franchisor. Franchisor shall make such label machines available to Franchisee at a cost of \$100 per month.

(b) To sell or offer for sale only such menu items, Products and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all types of menu items, Products and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale

any menu items, Products or services which Franchisor may, in its discretion, disapprove in writing at any time.

(c) To permit Franchisor or its agents, at any reasonable time, to remove samples of food or non-food items from Franchisee's inventory or from the Franchised Produce Kiosk, without payment therefor, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether said samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Franchise Agreement, Franchisor may (i) require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's then-current specifications and (ii) require Franchisee to remove and destroy such food or non-food items at Franchisee's sole cost without reimbursement from Franchisor whatsoever.

(d) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, computer software and hardware, decor and signs as Franchisor may direct from time to time in the Brand Standards Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Franchised Produce Kiosk premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, computer software and hardware, decor, signs, games, vending machines or other items not previously approved by Franchisor as meeting Franchisor's standards and specifications, including those standards and specifications in the Brand Standards Manual.

(e) To sell or offer for sale menu items, Products and services only at the Franchised Produce Kiosk (or Products to be delivered from the Franchised Produce Kiosk) and to refrain from off-premises sales or catering unless expressly authorized by Franchisor in writing.

(f) If the Franchised Produce Kiosk accepts direct customer payments (rather than under the Host POS Method), to permit Franchisor to poll Franchisee's point-of-sale and other related computer systems (regardless of location at the Franchised Produce Kiosk, Franchisee's offices, or other locations) for the purpose of compiling data regarding Gross Sales and other relevant data.

(g) Provide food production and food safety logs to Franchisor each Monday and, if requested by Franchisor, other relevant data related to the Franchised Produce Kiosk in a file format and export method reasonably established by Franchisor, at Franchisee's sole cost.

(h) Franchisee acknowledges that Franchisor may implement new and/or supplemental programs and/or procedures from time-to-time and in its sole discretion (e.g., food-and- kiosk safety programs, operational improvement procedures, nutrition information programs, etc.) as an integral part of the System and Franchisee shall be required to participate in (and comply with) such programs and/or procedures established by Franchisor. Franchisee acknowledges it may be responsible for the payment of certain costs associated with such programs and/or procedures. Franchisor reserves the right to establish (and set forth the terms and conditions of) such programs and procedures through a modification and/or revision to the System and/or Brand Standards Manual and, in such event, Franchisee shall thereafter comply with the System and/or Brand Standards Manual, as modified and/or revised.

Section 7.2 **Managing Owner and Operating Partner.**

(a) **Managing Owner.** Franchisee shall designate and retain an individual to serve as the "Managing Owner" of the Franchised Produce Kiosk. The Managing Owner (i) shall be deemed as a "Franchisee's Owner" hereunder and must have the largest share of unencumbered equity ownership in Franchisee, but not less than ten percent (10%), (ii) must be authorized by the Franchisee to bind the Franchisee in any dealings with Franchisor and authorized distributors, suppliers, and contractors of

Franchisee, (iii) must be authorized by the Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iv) must devote his full time and best efforts to the satisfaction of Franchisee's obligations under this Franchise Agreement and the daily operations of the Franchised Produce Kiosk. Except as may otherwise be provided in this Franchise Agreement, the Managing Owner's interest in Franchisee shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. Franchisee has not taken and agrees that it will not hereafter take, whether directly or indirectly, any action to avoid the authority requirements of the Managing Owner through the entry of limiting board resolutions, management agreements, amendment of Organizational Documents or any other similar device or arrangement. Franchisee agrees to furnish Franchisor with such evidence as Franchisor may request from time to time for the purpose of assuring Franchisor that the Managing Owner's authority remains as represented herein.

(b) **Operating Partner.** If the Managing Owner does not intend to devote his full time and best efforts to the daily operation of the Franchised Produce Kiosk, then Franchisee must also designate an individual "**Operating Partner**", who must be approved by Franchisor. The Operating Partner (i) shall be deemed as a "Franchisee's Owner" hereunder and must be authorized by Franchisee to bind Franchisee in any dealings with Franchisor and authorized distributors, suppliers, and contractors of Franchisee, (ii) must be authorized by the Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iii) must devote his full time and best efforts to the satisfaction of Franchisee's obligations under this Franchise Agreement and the daily operations of the Franchised Produce Kiosk with no operational or management commitments to other businesses. The Operating Partner must live within a 50-mile radius of the Franchised Produce Kiosk. Except as may otherwise be provided in this Franchise Agreement, the Operating Partner's interest in Franchisee, if any, shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

(c) **Change of Managing Owner or Operating Partner.** Franchisee shall not change the Managing Owner and/or Operating Partner without the prior written consent of Franchisor. Any sale, transfer or assignment of the Managing Owner's interest in Franchisee, or any portion thereof, shall be subject to the restrictions on transfer described in **Article 13** and any failure to comply with such requirements shall be deemed a material event of default by Franchisee under Article 14. Any sale, transfer or assignment of the Operating Partner's interest in Franchisee, if any, or any portion thereof, shall be subject to the restrictions on transfer described in **Article 13** and any failure to comply with such requirements shall be deemed a material event of default by Franchisee under **Article 14**.

Section 7.3 **Hours of Operation.** Franchisee shall keep the Franchised Produce Kiosk open and in normal operation for such hours and days as Franchisor may from time-to-time specify in the Brand Standards Manual or as Franchisor may otherwise reasonably request or approve in writing. Notwithstanding the foregoing, at a minimum, Franchisee shall keep the Franchised Produce Kiosk open and operating during the days and hours the Host Location is open to the public.

Section 7.4 **Personnel and Staffing.** Franchisee shall staff the Franchised Produce Kiosk in accordance with the Brand Standards Manual and Franchisee agrees to maintain a competent, conscientious, and fully-trained staff at the Franchised Produce Kiosk including at least two fully-trained, full-time employees, including at least one fully-trained, full-time manager (unless otherwise agreed to in writing by Franchisor). At all times the Franchised Produce Kiosk is to be open for business, the Franchised Produce Kiosk shall be staffed by one manager and at least one additional employee of Franchisee. Franchisee agrees to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe from time to time. Franchisee also acknowledges and agrees that Franchisor may require Franchisee to hire and maintain "above-kiosk" supervision (e.g., area director(s), regional director(s), etc.) and, in such event, Franchisee shall ensure that such personnel are

fully-trained in accordance with the Brand Standards Manual. Franchisee alone is responsible for hiring, firing, line-training, disciplining, setting hours for and otherwise supervising all employees. As between Franchisor and Franchisee, Franchisee is solely responsible for the safety and well-being of Franchisee's employees and the customers of the Franchised Produce Kiosk. Any evaluation or inspection Franchisor conducts is not intended to exercise, and does not constitute control, over Franchisee's day-to-day operation of the Franchised Produce Kiosk or to assume any responsibility for Franchisee's obligations under this Franchise Agreement. No employee of Franchisee will be deemed to be an employee of Franchisor 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 Franchisee to Franchisor. Franchisee will defend, indemnify, and hold Franchisor and each other Franchisor Party harmless from and against all claims arising out of or relating to (a) any employee of Franchisee being deemed or purported to be deemed to be an employee of Franchisor and (b) any event, allegation or finding that for any purpose whatsoever, or in any way shifts any employee or employment related responsibility from Franchisee to Franchisor.

Section 7.5 **Health and Safety Standards.** Franchisee shall, at all times, operate the Franchised Produce Kiosk in accordance with (i) the highest health, safety, and sanitation standards under applicable law and (ii) the highest health, safety, and sanitation standards as set forth in the Brand Standards Manual. Franchisee shall furnish to Franchisor, within seven (7) days after receipt thereof, a copy of any inspection report, warning, citation, certificate and/or rating which indicates Franchisee's satisfaction of or failure to meet or maintain the highest health, safety, and/or sanitation standards in the operation of the Franchised Produce Kiosk.

(a) **Temporary Closure of Franchised Produce Kiosk.** In the event Franchisee violates the terms of Section 7.5, then (in addition to Franchisor's other rights and remedies hereunder) Franchisee shall temporarily close the Franchised Produce Kiosk immediately upon receipt of written notice from Franchisor and Franchisee shall not re-open the Franchised Produce Kiosk until Franchisee has cured such violation(s) of Section 7.5 and received written permission from Franchisor to re-open the Franchised Produce Kiosk.

(b) **Public Health and/or Safety Emergency.** In the event of a public health, safety, and/or sanitation emergency involving the Franchised Produce Kiosk, then (in addition to Franchisor's other rights and remedies hereunder) Franchisee shall temporarily close the Franchised Produce Kiosk immediately upon Franchisee becoming aware thereof (and in any event not later than immediately upon receipt of written notice to do so from Franchisor) and Franchisee shall not re-open the Franchised Produce Kiosk until such emergency has been resolved and Franchisee has received written permission from Franchisor to re-open the Franchised Produce Kiosk.

Section 7.6 **Approved Suppliers.** Franchisee shall purchase all Products used or offered for sale at the Franchised Produce Kiosk as required by the Brand Standards Manual and this Franchise Agreement and, to the extent any Products are permitted to be purchased from others, they shall be purchased by Franchisee from suppliers (including manufacturers, distributors and other sources) who (i) demonstrate, to the continuing satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; (ii) possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; (iii) have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and (iv) have not thereafter been disapproved.

(a) If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a prior written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase from any supplier unless and until such supplier has been approved in writing by Franchisor. Franchisee acknowledges it will be required to secure such supplier's signature to such agreements as Franchisor may require, including, without limitation, a confidentiality agreement acceptable to Franchisor, as conditions precedent to any approval by Franchisor. Franchisee agrees that its

failure to comply with this Section 7.6(a) will result in an assessment of non-compliance fees up to \$7,000 per occurrence. In the event Franchisee repeatedly fails to place sufficient orders of Product from an approved supplier and/or Franchisor consistent with such orders of Product as customarily purchased on a weekly basis, in addition to non-compliance fees, Franchisor shall be entitled to automatically order on Franchisee's behalf and deliver to Franchisee, at Franchisee's sole cost, the amount of Products necessary for Franchisee to meet demands, calculated according to Franchisee's prior weekly sales. Any such ordering and delivering of Products on behalf of Franchisee shall be charged to Franchisee at a cost of up to 150% of the cost for the Products so ordered and delivered.

(b) Franchisor shall have the right to require that its representatives be permitted to inspect any Product supplier's facilities at any time, and that samples from any such supplier be delivered, at any time, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspection and the test, shall be paid by Franchisee, though without limiting Franchisee's liability therefor, Franchisee may require reimbursement from or direct payment by the supplier.

(c) Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any previously-approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier (such determination to be made by Franchisor in its sole discretion).

(d) Franchisee shall timely fulfill all financial obligations it owes to any supplier. In the event Franchisee fails to timely pay any supplier, Franchisor may, in its sole discretion, make such payment on Franchisee's behalf and charge to Franchisee, together with a \$50 administrative fee, all costs and expenses incurred by Franchisor in making such payment.

Section 7.7 **Proprietary Products.** Franchisee acknowledges and agrees that Franchisor has developed, and after the Effective Date may develop certain Products or menu items which are made from highly confidential secret recipes and which are trade secrets of Franchisor (the "Proprietary Products"). Because of the importance of quality and uniformity of production and the significance of the Proprietary Products to the System, it is to the mutual benefit of the Parties that Franchisor closely controls the production and distribution of the Proprietary Products. Accordingly, Franchisee agrees to only use Proprietary Products in the Franchised Produce Kiosk which have been purchased from Franchisor or from a source designated by Franchisor, unless otherwise permitted in writing by Franchisor.

Section 7.8 **Maintenance of the Franchised Produce Kiosk.** Franchisee shall clean and maintain the Franchised Produce Kiosk in a first-class manner and condition and Franchisee shall report to Franchisor any repairs to the Franchised Produce Kiosk as may be required to maintain the Franchised Produce Kiosk in a first-class manner and condition. All repairs, replacements, additions, and modifications to the Franchised Produce Kiosk shall require Franchisor's prior written consent.

Section 7.9 **Current Image.** Upon Franchisor's request, Franchisee shall, at its sole cost and expense, make all improvements and alterations that Franchisor may determine to be necessary for the Franchised Produce Kiosk to conform with the then-current image of Franchised Produce Kiosks as required by the System or as prescribed by Franchisor from time-to-time (the "Current Image"). Franchisee shall, at its expense, undertake and complete such improvements and alterations within reasonable times specified by Franchisor.

Section 7.10 **Remodeling and/or Redecorating of Franchised Produce Kiosk.** Franchisee acknowledges Franchisor's right to make changes in the Current Image, as it reasonably deems appropriate;

and Franchisor has the right to require Franchisee to make specific changes to the Franchised Produce Kiosk from time-to-time to conform with the Current Image, and Franchisee must cooperate as needed to allow for such changes.

Section 7.11 **Inspection by Franchisor.** Franchisee shall grant Franchisor and its agents, including representatives of the Host, the right to enter the Franchised Produce Kiosk at any time for the purpose of conducting inspections of the Franchised Produce Kiosk and Franchisee shall cooperate with Franchisor and its agents in such inspections by rendering such assistance as they may reasonably request. Upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Franchise Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection, including, but not limited to, correcting any use of unauthorized Products or unauthorized Product substitutions. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so), to correct such deficiencies and to charge Franchisee a reasonable fee and reimbursement for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand by Franchisor. Franchisor reserves the right to institute policies and procedures regarding such inspection in the Brand Standards Manual, including without limitation, fees for failure to timely comply with such policies and procedures. Franchisor and its agents, including representatives of the Host operating under the authority of the Host, shall have the right to dispose of any unauthorized Products and Products that do not conform to the requirements set forth in the Brand Standards Manual. Neither Franchisor nor the Host shall have any responsibility for replacing any unauthorized or non-conforming Products. Neither Franchisor nor the Host shall be required to attempt to resell the unauthorized or non-conforming Products or otherwise mitigate any losses the Franchisee may sustain as a result of the disposal of the unauthorized or non-conforming Products.

Section 7.12 **Mandatory Sanitation and Food Safety Program.** Franchisor reserves the right to require Franchisee's participation in a sanitation and food safety program relating to the Franchised Produce Kiosk (including periodic inspections and evaluations of the Franchised Produce Kiosk) in accordance with such rules, terms, and conditions as Franchisor deems advisable. Franchisor reserves the right to incorporate the rules, terms, and conditions of such program into the Brand Standards Manual and to supplement such rules, terms, and conditions from time-to-time through modifications to the Brand Standards Manual. Franchisee shall, at all times, operate the Franchised Produce Kiosk in accordance with the rules, terms, and conditions of such mandatory sanitation and food safety program. Franchisee acknowledges Franchisee may be responsible for some (or all) costs of such program as it applies to the Franchised Produce Kiosk.

Section 7.13 **Prices at Franchised Produce Kiosk.** Subject to this Franchise Agreement and as applicable, the particular Host Agreement applicable to the Franchised Produce Kiosk's physical location, Franchisor shall determine the prices of menu items, Products or services offered at the Franchised Produce Kiosk as permitted by applicable law. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices Franchisee may charge for menu items, Products or services offered at the Franchised Produce Kiosk.

Section 7.14 **Compliance with Laws and Industry Standards.** Franchisee shall operate the Franchised Produce Kiosk in compliance with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Produce Kiosk, including, without limitation, business licenses, certificates of occupancy, liquor licenses, fictitious name registrations, sales tax permits and fire permits. Franchisee shall be solely responsible for any fines, costs, or penalties related to the foregoing matters.

(a) Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality related to any of the matters referenced in this Section 7.14 or which may adversely affect the Franchised Produce Kiosk.

(b) Franchisee shall, at its sole cost, comply (i) with rules and regulations promulgated by industry groups, trade associations and similar non-governmental (and/or quasi-governmental) organizations as Franchisor shall require and/or (ii) rules and regulations promulgated by Franchisor which are reasonably consistent with rules and regulations promulgated by such industry groups, trade associations and similar non- governmental (and/or quasi-governmental) organizations.

(c) Franchisor and Franchisee acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. In the rare event, if ever, where a Franchisee is authorized to make (or otherwise makes) sales other than through a Host Location's POS, then the following procedures shall apply. Specifically, Franchisee agrees that it will cause the Franchised Produce Kiosk to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards (PCI DSS) council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act (FACTA) and all other successor or additional laws, and all other data security requirements Franchisor may prescribe. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee will defend, indemnify and hold Franchisor and each other Franchisor Party harmless from and against all claims arising out of or relating to Franchisee's violation of this Section 7.14.

Section 7.15 **Supplemental Marketing Programs**. Franchisee acknowledges that (i) supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management and other supplemental marketing programs) are an integral part of the System and (ii) Franchisee shall be required to participate in (and comply with) such supplemental marketing programs, if any, established by Franchisor from time-to-time. Franchisee acknowledges it may be responsible for the payment of certain costs associated with these supplemental marketing programs. Franchisor reserves the right to establish (and set forth the terms and conditions of) such supplemental marketing programs through (i) a supplement and/or modification to the Brand Standards Manual or (ii) a standard supplemental marketing program agreement which Franchisee agrees to sign, if requested by Franchisor. Franchisee acknowledges that Franchisor may from time to time institute a gift card program and Franchisee shall be required to participate in (and comply with the terms and conditions of) Franchisor's gift card policy as amended or modified by Franchisor from time-to-time.

ARTICLE 8

MARKS

Section 8.1 **Franchisee's Use of the Marks**. With respect to Franchisee's licensed use of the Marks pursuant to this Franchise Agreement, Franchisee agrees that:

(a) Franchisee shall use only the Marks designated by Franchisor and then only in the manner authorized by Franchisor or otherwise with the prior written consent of Franchisor.

(b) Franchisee shall use the Marks only at the Franchised Produce Kiosk or in advertising for the Franchised Produce Kiosk (unless otherwise previously authorized by Franchisor in writing).

(c) Franchisee shall cause all advertising materials, promotional materials, signs, banners, decorations, paper goods (including disposable food containers, napkins, menus, forms and stationery) and other items designated by Franchisor used in connection with the Franchised Produce Kiosk to display the Marks in the form, color, location and manner prescribed and approved in writing by Franchisor.

(d) Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Produce Kiosk only under the Marks Franchisor has authorized Franchisee to use, without prefix or suffix.

(e) During the Term of this Franchise Agreement, Franchisee shall identify itself as the owner of the Franchised Produce Kiosk and an independent franchisee in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations at the Franchised Produce Kiosk as Franchisor may designate in writing.

(f) Franchisee's right to use the Marks is limited to such uses as are authorized under this Franchise Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

(g) Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

(h) Franchisee shall not use the Marks (or any derivative or portion thereof) as part of its corporate or other legal name.

(i) Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

(j) In the event of any infringement of or challenge to Franchisee's use of the Marks or litigation involving the Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully in defending or settling such litigation. Franchisee and Owners agree that they will not communicate with any person other than the Franchisor and Franchisor's counsel in connection with any such action, claim or infringement. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, United States Patent and Trademark Office action or other proceeding arising out of any infringement, challenge or claims relating to the Marks.

Section 8.2 **Limitations on Franchisee's Use of Marks.** With respect to Franchisee's licensed use of the Marks pursuant to this Franchise Agreement, Franchisee agrees that:

(a) Franchisor is the owner or licensee of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are authorized to operate under the System.

(c) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Marks.

(d) Franchisee's use of the Marks pursuant to this Franchise Agreement does not give Franchisee any ownership interest or other interest in or to the Marks, except the license granted by this Franchise Agreement.

(e) Any and all goodwill arising from Franchisee's use of the Marks and the System under this Franchise Agreement shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Franchise Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks.

(f) The right and license of the Marks granted hereunder to Franchisee is non-exclusive, and Franchisor thus has and retains the rights, among others:

(i) To use the Marks itself in connection with selling menu items, Products and services;

(ii) To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees;

(iii) To develop and establish other systems using the same or similar Marks, or other Marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee; and

(iv) To develop and establish the Other Marks and exclude the Other Marks from the Marks.

(g) Franchisee's use of the Marks pursuant to this Franchise Agreement does not give Franchisee any interest in or right to use the Other Marks.

Section 8.3 **Substitutions to Marks.** Franchisor reserves the right to substitute different Marks for use in identifying the System and the business operating thereunder if Franchisor's currently owned Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. In such event, Franchisee shall be responsible for all expenses related to the substitution of different Marks at Franchisee's Franchised Produce Kiosk.

ARTICLE 9

CONFIDENTIAL INFORMATION

Section 9.1 **Confidential Information.** Franchisee and Owners shall not, during the term of this Franchise Agreement and for a period of five (5) years thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any information, trade secrets, knowledge, or know-how concerning the Marks, System, Brand Standards Manual and methods of development and operation of the Franchised Produce Kiosk, including, without limitation, software licensed or provided by Franchisor, recipes, training materials, pricing of products and services, construction plans and specifications, marketing information and strategies, and site evaluation and selection techniques (collectively, the "Confidential Information"). The foregoing items shall be deemed as "Confidential Information" regardless of whether such items are disclosed to Franchisee under a "confidentiality notice" and whether spoken, written, printed, electronic, or in any other form or medium.

Section 9.2 **Use and Disclosure.** Franchisee and Owners (i) shall disclose Confidential Information only to such of Franchisee's employees as must have access to it in order to operate the Franchised Produce Kiosk, (ii) shall not copy, duplicate, record, or otherwise reproduce the Confidential

Information, in whole or in part, nor otherwise make the same available to any unauthorized person, and (iii) shall be solely responsible to ensure that Franchisee's managers, employees, agents, and independent contractors of Franchisee having access to Confidential Information comply with this Article 9 and do not communicate, divulge or use Confidential Information in violation of this Article 9. Franchisee shall be directly and fully responsible for any breaches of this Agreement by any of its managers, employees, agents, and independent contractors.

Section 9.3 **Confidentiality Agreement**. In addition to Franchisee's obligations under Section 9.1, Franchisor may require that Franchisee cause Owners and any of Franchisee's or Owners' respective managers, employees, agents or independent contractors having access to Confidential Information to execute a "Confidentiality Agreement" in the form contained in Attachment B.

Section 9.4 **Breach of Confidentiality**. Franchisee acknowledges that any failure to comply with the requirements of this Article 9 shall constitute a material event of default under Article 14 and will cause Franchisor irreparable injury. Therefore (and in addition to any remedies under Article 14 or applicable law), Franchisor may obtain specific performance of, or an injunction against violation of, the requirements of this Article 9 without being required to post bond and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Article 9.

Section 9.5 **Franchisee's Access to Confidential Information and Other Information**. In addition to Confidential Information, Franchisor may, from time-to-time and at Franchisor's sole option, elect (i) to grant Franchisee access to certain database(s), web-based information programs, and other software, and/or (ii) to make other information related to the Franchised Produce Kiosk available to Franchisee and Franchisee agrees to promptly comply, at Franchisee's sole cost, with all rules and requirements imposed by Franchisor in connection therewith (including, without limitation, implementing required security measures, updating and restricting Franchisee's personnel access lists, and other requirements).

Section 9.6 **Survival**. The terms of this Article 9 shall survive the termination, expiration, or any transfer of this Franchise Agreement as set forth in Section 9.1. Franchisee shall pay to Franchisor all Damages incurred by Franchisor subsequent to the termination or expiration of this Franchise Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 9.

ARTICLE 10

ACCOUNTING AND RECORDS

Section 10.1 **Proof of Financial Ability**. Prior to executing this Agreement, Franchisee must provide to Franchisor evidence (e.g., bank statements and/or financial statements) demonstrating its financial ability to pay all costs of purchasing and operating the Franchised Produce Kiosk through the Revenue Processing Period and thereafter.

Section 10.2 **Other Financial Statements**. At least thirty (30) days prior to the beginning of each fiscal year during the Term, Franchisee shall prepare and submit to Franchisor a complete operating budget for the Franchised Produce Kiosk in a form prescribed by Franchisor from time to time.

Section 10.3 **Certification**. Each statement and report referenced in Sections 10.1 and 10.2 shall be signed by Franchisee and the Managing Owner attesting that it is true, complete and accurate.

Section 10.4 **Audit Rights**.

(a) Franchisor's Audit Rights. Franchisor or its designated agents shall have the right at all reasonable times to request, inspect, audit and copy, at Franchisor's expense, the books, records, financial statements, tax returns, and other information, in any medium whatsoever, of Franchisee and any affiliates and/or parent company(ies) involved in the operation of the Franchised Produce Kiosk in order to determine the amount of Franchisee's sales at the Franchised Produce Kiosk as well as other results of operations.

(b) Franchisee's Audit Rights. Franchisee or its designated agents shall have the right once per each 12-month period commencing on the Effective Date and each renewal date of the Term at all reasonable times to request, inspect, audit, and copy, at Franchisee's expense, the books, records, financial statements, tax returns and other information, in any medium whatsoever, of Franchisor only to the extent necessary to verify the Gross Sales realized by the Franchised Produce Kiosk and that the amounts paid to Franchisee are in compliance with this Agreement.

(c) Audit Results. If any such inspection or audit referenced above should reveal that any amounts have been overpaid or underpaid, then the Party that either accepted the overpayment or underpaid the other Party shall immediately pay to the other Party the amount that was overpaid or underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of eight percent (8%) per annum, or the maximum rate permitted by applicable law, whichever is less. The foregoing remedy shall be in addition to any other remedies a Party may have under this Franchise Agreement.

ARTICLE 11

ADVERTISING

Section 11.1 Advertising Programs. Franchisee shall participate in any National Advertising Program of Franchisor ("NAP") as directed by Franchisor and Franchisee agrees that such direction may be changed by Franchisor from time-to-time during the Term. Franchisee may engage in local advertising which complies with the requirements set forth on Attachment F; however, all such advertising shall be subject to Franchisor's prior written approval.

Section 11.2 National Advertising Program. In the event Franchisor requires Franchisee to participate in a NAP, then Franchisee shall comply with this Section 11.2.

(a) On or before the tenth (10th) day of each calendar month, Franchisee shall pay to Franchisor a continuing monthly advertising fee in an amount up to or equal to 1% of Gross Sales (the "NAP Fee"). The NAP Fee shall be determined by Franchisor in its sole discretion from time-to-time during the Term, but shall not exceed 1% of Gross Sales.

(b) The NAP shall be organized, governed, and operated in accordance with written guidelines prepared and approved in advance by Franchisor (the "NAP Guidelines") and Franchisor shall be responsible for maintaining and administering advertising programs in accordance with the NAP Guidelines. No advertising or promotional plans or materials may be used by the NAP or furnished to its members without the prior written consent of Franchisor. Further, Franchisor shall direct all advertising and production programs in the NAP and Franchisor shall have sole responsibility for all advertising, marketing, and/or promotional materials used in connection with the NAP all as determined by Franchisor in its sole discretion.

(c) The NAP Fee shall be used exclusively by Franchisor in connection with any and all costs incurred in connection with the NAP including, without limitation, (i) maintaining, directing, and preparing advertising materials such as the preparation and coordination of television, digital (email, sms (text messages), search, display, video, social), radio, print, direct mail, outdoor billboard advertising, marketing surveys and other public relations activities; (ii) the employment of advertising agencies to assist in the

NAP; (iii) the preparation and distribution of promotional brochures and other marketing materials in connection with the NAP; (iv) the cost of developing and maintaining any website(s) related to the NAP; (v) reasonable administrative costs and overhead incurred by Franchisor in activities reasonably related to the administration or direction of the NAP; and (vi) such other items as may be set forth in the NAP Guidelines.

Section 11.3 **Administration of Advertising Programs.** Franchisor reasonably anticipates that the NAP Fee shall be expended for advertising and/or promotional purposes as described herein during Franchisor's fiscal year within which such fees are received. In the event excess amounts remain in such advertising program at the end of such fiscal year, then all expenditures in the following fiscal year(s) shall be made first out of accumulated fees from previous years and then from fees collected during the current year.

(a) The NAP is operated as a conduit for the collection and expenditure of advertising fees for the purposes stated herein. An unaudited statement of the operations of the National Advertising Fund shall be prepared annually by Franchisor and shall be made available to Franchisee upon Franchisee's request.

(b) Franchisor reserves the right to terminate the NAP; provided that such program shall not be terminated until all monies in the program has been expended for advertising and/or promotional purposes or other appropriate arrangements have been made with respect to such monies.

Section 11.4 **Advertising Standards and Approval.** All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of Franchisor as set forth in the Brand Standards Manual or otherwise. Franchisee shall obtain Franchisor's prior written consent to all advertising and promotional plans and materials that Franchisee desires to use which have not been prepared or previously approved by Franchisor within one (1) year prior to the date of use by Franchisee.

(a) Franchisee shall not use any advertising, marketing, and/or promotional materials in connection with the Franchised Produce Kiosk unless such materials have been approved by Franchisor in writing. Franchisee shall submit any unapproved advertising, marketing and/or promotional materials to Franchisor (by personal delivery or through the mail, return receipt requested), and Franchisor shall use reasonable efforts to approve or disapprove such materials within fourteen (14) days from the date of receipt thereof by Franchisor. Franchisee shall use no such materials until they have been approved by Franchisor and shall promptly discontinue use of any advertising, marketing and/or promotional materials upon notice from Franchisor.

(b) This Section 11.4 shall apply in all respects to the distribution and display of advertising, marketing, and/or promotional materials in any medium (including, without limitation, print, radio, television, and the display or use by Franchisee of advertising and promotional materials and the Marks on the Internet).

Section 11.5 **Internet and Electronic Commerce.** Franchisee shall not advertise the Franchised Produce Kiosk over the Internet (or any other form of electronic commerce and/or electronic media) without Franchisor's prior written consent. Franchisee shall not use the Marks over the Internet (or any other form of electronic commerce and/or electronic media) without Franchisor's prior written consent. Franchisee shall not develop, create, establish, and/or use any website or other electronic media which uses and/or creates any association with the System and/or the Marks (including any abbreviation, acronym, phonetic variation or visual variation).

(a) All domain names using, and/or creating any association with, the System and/or the Marks (including any abbreviation, acronym, phonetic variation, or visual variation) shall be registered in Franchisor's name. Franchisor may grant to Franchisee a non-exclusive license to use domain name(s) selected by Franchisor for Franchisee's use in accordance with this Franchise Agreement. Franchisee shall not register any domain name in any class or category that uses or creates any association with the System and/or Marks (including any abbreviation, acronym, phonetic variation or visual variation) without Franchisor's prior written consent.

(b) Franchisee agrees that any consent by Franchisor to develop, create, establish, advertise, register and/or use any of the Marks over the Internet (or any other form of electronic commerce and/or electronic media) shall be subject to certain conditions including, without limitation, requirements as to form, content and appearance; requirement of a hypertext link to Franchisor's website(s); prohibitions on hypertext links to third-party websites; and other requirements, restrictions and prohibitions deemed necessary by Franchisor.

(c) On termination or expiration of this Franchise Agreement or in the event Franchisee fails to comply with this Section 11.5, Franchisor shall have the right (in addition to Franchisor's other rights and remedies hereunder) to revoke its consent to Franchisee's development, creation, establishment, advertisement, registration and/or use any of the Marks over the Internet or any other form of electronic commerce and/or electronic media (including, without limitation, website(s) and domain names) and, in such event, Franchisee shall immediately cease all such activities and shall immediately take all actions reasonably required to disassociate Franchisee from all such activities.

Section 11.6 Copyright Materials. Franchisee acknowledges that Franchisor or its affiliates own the worldwide copyright and other ownership rights to the Brand Standards Manual, and all components of the System that are written, electronic and/or magnetic media subject to copyright (collectively, the "Copyright Materials"). Franchisee acknowledges and agrees that it may only make modifications to the Copyright Materials upon receiving the prior written consent of Franchisor and that any such modifications shall be and remain the property of Franchisor. Franchisee agrees to use proper copyright and other proprietary notices in connection with all Copyright Materials or translations, modifications or adaptations of the Copyright Materials and conform to Franchisor's standards for protecting its rights. Franchisee agrees to promptly cause the execution of any assignments, waivers of rights, or other documents, and take any further actions needed or advisable to ensure that Franchisor has such copyright and other rights described in this Section 11.6.

ARTICLE 12

INSURANCE

Section 12.1 Liability Insurance. During the Term, unless Franchisor agrees otherwise in writing, Franchisee must participate in Franchisor's then current mandatory group insurance program for the Produce Kiosk, and pay all related then current premium fees and costs associated with participation in such program. Franchisor charges an administrative fee that Franchisor sets based on its cost of reinsurance and administration of the program. Currently, the mandatory group insurance program coverage includes insurance policies protecting Franchisee and Franchisor and various related Franchisor Affiliates against any demand or claim for personal injury, death or property damage, or any loss, liability or expense related to the operation of the Produce Kiosk, as follows:

(a) commercial general liability insurance with the following coverages and limits:

Coverage	Limit
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General Aggregate	\$2,000,000
Products/Completed Ops Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$300,000
Medical Expense	\$5,000
Hired & Non-Owned Auto Liability	\$1,000,000

(b) commercial property insurance with the following coverages and limits:

Sub of Insurance	Limits	Cause of Loss	Deductible
Business Personal Property	\$10,000-\$25,000	Special Form	\$1,000
Business Income & Extra Expense	ALS 12 months		24 hours

(c) umbrella insurance with the following coverages and limits:

Limit	Retention Amount	Retention Basis
\$1,000,000	\$0	Per Occurrence

Franchisor may adjust coverage in its discretion in accordance with good practice and market standards and may also change the fees periodically to adjust to our costs. Franchisor may discontinue its group insurance program at any time, in which case the provisions of Sections 12.3 to 12.4 will apply.

Section 12.2 **Worker's Compensation Insurance.** During the Term, unless or until Franchisor includes worker's compensation insurance in its then current mandatory group insurance program, Franchisee shall subscribe to the workers' compensation law in the state in which the Franchised Produce Kiosk is located and shall maintain, at its sole cost, workers' compensation and employers' liability insurance covering all of Franchisee's employees with the following coverages and limits:

Coverage Description	Applies	Limits
Bodily Injury by Accident	Per Accident	\$1,000,000

Bodily Injury by Disease	Policy Limit	\$1,000,000
Bodily Injury by Disease	Per Employee	\$1,000,000

Franchisee is required to carry this insurance regardless of waiver or exemption of coverage under applicable state statute.

Section 12.3 **Additional Insurance Policies.** During the Term, Franchisee agrees to maintain, at its cost, such additional insurance policies as a reasonably prudent franchisee would maintain or as reasonably required by Franchisor. Franchisees may, upon written request to Franchisor, request that Franchisor help procure additional insurance coverage beyond what is required by this Franchise Agreement. Franchisor on a good faith basis shall review the request and upon determining the validity of such request, assist Franchisee with securing such additional coverage. Any costs, including premiums and deductibles, related to such additional coverage shall be fully borne by the Franchisee.

Section 12.4 **Policy Requirements.** If Franchisee is not able to participate in Franchisor's group insurance program due to state mandated requirements or other reasons that Franchisor deems appropriate, then Franchisee is solely responsible for obtaining insurance that is the same as or provides more insurance coverage as set forth in above for Franchisor's mandatory group insurance program and that otherwise satisfies requirements in Franchisee's state. All insurance policies required under this Section will contain provisions to the effect that the insurance will not be canceled or modified without at least thirty (30) days' prior written notice to Franchisor and that no modification will be effective unless approved in writing by Franchisor. All such policies will be issued by a company or companies, rated "A" or better by AM Best, responsible and authorized to do business in the state in which Franchised Produce Kiosk is located, as Franchisee may determine, and as approved by Franchisor, which approval will not be unreasonably withheld.

(a) All insurance policies shall name Franchisor and the other Franchisor Parties, if possible, as additional insureds and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions. In addition, all insurance policies required hereunder shall waive subrogation in favor of Franchisor and the other Franchisor Parties.

(b) Franchisee may elect to have reasonable deductibles in connection with the insurance coverage subject to a reasonable evaluation of Franchisee's financial strength as compared to such deductibles and otherwise subject to Franchisor's prior written consent. Franchisee may not agree to sublimits in the insurance policies without the prior, written consent of Franchisor.

(c) Franchisee's obligation to maintain the insurance policies shall not (i) release Franchisee from its obligations under the indemnity provisions set forth in this Agreement; or (ii) be limited by reason of any insurance which may be maintained by Franchisor.

(d) Franchisor reserves the right to reasonably revise and/or reasonably increase the insurance coverages required and Franchisee shall promptly comply with any such revisions and/or increases.

(e) Not less than once per year, Franchisee shall deliver to Franchisor certificates of insurance evidencing the insurance coverages required. Franchisee shall also deliver such certificates and/or copies of such insurance policies within ten (10) days after Franchisor's request.

Section 12.5 **Franchisor's Right to Procure and Cancel Insurance.** In the event Franchisee fails to comply with this Article 12, then (in addition to any other remedies available to Franchisor under this Franchise Agreement), Franchisor shall have the right (but not the obligation) to procure such insurance on Franchisee's behalf and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice.

ARTICLE 13

TRANSFER AND ASSIGNMENT

Section 13.1 **Transfer by Franchisor.** Franchisor and any holder of any direct or indirect ownership interest in Franchisor may voluntarily, involuntarily, directly or indirectly sell, assign, transfer, license, sublicense, sublease, collaterally assign, grant a security, collateral or conditional interest, intervivos transfer, testamentary disposition or other disposition of all or any part of its rights or obligations under this Franchise Agreement or any direct or indirect ownership interest in Franchisor to any person without Franchisee's consent. Specifically, and without limitation to the foregoing, Franchisor may sell its assets, Marks or the System to a third-party; may offer its securities privately or publicly; may merge, spin-off, acquire other business entities, or be acquired by another business entity; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, Franchisee expressly and specifically waives any claims, demands, or damages against Franchisor arising from or related to the transfer of the Marks (or any variation thereof) or the System from Franchisor to any other party. If Franchisor assigns its rights in this Franchise Agreement, such assignment will constitute a novation as to Franchisor and Franchisor will be released from all further liability to Franchisee under this Franchise Agreement after the effective date of such transfer, and the transferee will be liable to Franchisee as if it was the original party to this Franchise Agreement. Nothing contained in this Franchise Agreement requires Franchisor to offer any services or products, whether or not bearing the Marks, to Franchisee if Franchisor assigns its rights in this Franchise Agreement.

Section 13.2 **Transfer by Franchisee.** Franchisee agrees the rights and duties set forth in this Franchise Agreement are personal to Franchisee and that Franchisor entered into this Franchise Agreement in reliance on the business skill, financial capacity and personal character of the Franchisee and Owners.

(a) Franchisee and/or Owners shall not (i) sell, assign, transfer, convey, give away, gift, pledge, mortgage or otherwise encumber any direct or indirect ownership interest in this Franchise Agreement and/or the Marks and (ii) shall not grant a security interest or collateral interest in this Franchise Agreement and/or Marks. Franchisee and/or Owners shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect ownership interest in Franchisee and/or the Franchised Produce Kiosk without the prior written consent of Franchisor which Franchisor may withhold in its sole discretion or condition upon any or all of the requirements set forth in Section 13.3 (or others, each as determined by Franchisor in its sole discretion). Any change or series of changes in ownership of Franchisee that result(s) in the change in ownership of 50% or more of the equity interests of Franchisee shall be deemed an assignment.

(b) Any purported assignment, transfer, conveyance, give away, gift, pledge, mortgage or other encumbrance (by operation of law or otherwise) by Franchisee and/or Owners which does not comply with this Article 13 (including, without limitation, the prior written consent of Franchisor) shall be null and void and shall constitute an event of default under Section 14.2(b) of this Franchise Agreement.

Section 13.3 **Conditions for Approval.** Franchisor may, in its sole discretion, require any or all of the following as conditions precedent to its approval (and Franchisee agrees that all such conditions are reasonable and necessary).

(a) All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and all other Franchisor Parties shall have been satisfied.

(b) Franchisee shall not be in default of any provision of this Franchise Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor or any other Franchisor Party and Franchisee.

(c) Franchisee, Owners and the proposed transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and the other Franchisor Parties, in their business and individual capacities, including, without limitation, claims arising under this Franchise Agreement and federal, state and local laws, rules and ordinances.

(d) The proposed transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Franchise Agreement; and, if transferee is an entity, transferee's owners, shall execute such agreement as transferee's owners and shall, jointly and severally, guarantee the performance of all such obligations, covenants and agreements in writing in form and substance satisfactory to Franchisor.

(e) The proposed transferee shall demonstrate to Franchisor's satisfaction that such transferee meets the criteria considered by Franchisor when reviewing a prospective franchisee's application for a franchise, including but not limited to Franchisor's educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to operate the Franchised Produce Kiosk in accordance with this Franchise Agreement (as may be evidenced by prior related business experience or otherwise); transferee's ability, financial resources, infrastructure and capital for operation of a kiosk business; and the geographic proximity of other Franchised Produce Kiosks owned or operated by transferee (if any) in relation to the Franchised Produce Kiosk.

(f) The proposed transferee shall execute, for a term ending on the expiration date of this Franchise Agreement and with such renewal term as may be provided by this Franchise Agreement, the standard form franchise agreement then being offered to new franchisees in the System and other ancillary agreements as Franchisor may require; and if transferee is an entity, the ultimate, natural person owners of such transferee entity, shall execute such agreements as transferee's principals and shall guarantee the performance of all such obligations, contracts and agreements in writing in a form satisfactory to Franchisor. Such agreements shall supersede this Franchise Agreement and its ancillary documents in all respects and the terms of such agreements may differ from the terms of this Franchise Agreement, including, without limitation, a lower percentage Franchisee Earnings and a higher advertising contribution; provided, however, that the transferee shall not be required to pay any Initial Franchise Fee.

(g) Franchisee, Owners, and the proposed transferor shall remain liable for all of the obligations and liabilities related to this Franchise Agreement and/or the Franchised Produce Kiosk prior to the effective date of the transfer of the Franchised Produce Kiosk and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

(h) The proposed transferee, the transferee's manager(s) and the transferee's operating partner shall complete, at transferee's cost, any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require.

(i) Franchisee and proposed transferee shall pay a transfer fee not to exceed \$10,000, plus such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with any transfer of this Franchise Agreement and preparing or reviewing transfer documentation,

including, without limitation, the costs of background checks, legal and accounting fees, plus any other fees that may be payable under this Franchise Agreement. The total transfer fees shall be paid in two, non-refundable installments: (a) one-half (1/2) shall be paid together with the delivery to Franchisor of the application from the proposed transferee; and (b) the balance of the transfer fees, the amount of such total transfer fees to be determined by Franchisor in its sole discretion pursuant to this Section 13.3(i), which shall be paid on or before the date of the transfer. In addition, if Franchisee has only been operating the Franchised Produce Kiosk for ten (10) or fewer months, Franchisee will also pay to Franchisor an early transfer fee of \$5,000.

(j) If the proposed transferee is an entity, and in the event that such proposed transferee does not enter into a new Franchise Agreement with Franchisor, then transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth in Article 6 and the transferee shall provide to Franchisor evidence satisfactory to Franchisor that the terms of Article 6 have been satisfied and are true and correct on the date of transfer.

(k) Franchisee, Owners and the proposed transferor and transferee shall comply with any other conditions that Franchisor reasonably requires from time-to-time as part of Franchisor's transfer policies including, without limitation, evidence of Host Location consent, landlord consent, subordination of purchase price to monetary obligations under this Franchise Agreement, execution of confidentiality and non-compete agreements, etc.

Section 13.4 **Waiver of Interference Claims.** Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Franchisee. Franchisee also acknowledges that Franchisor's contact with potential transferees for the purpose of protecting its business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Franchisee waives any claim that action Franchisor takes in relation to a proposed transfer to protect its business interests constitutes tortious interference with contractual or business relationships.

Section 13.5 **No Security Interest.** Franchisee shall not grant a security or collateral interest in this Franchise Agreement, the System and/or the Marks. Franchisee shall not grant a security or collateral interest in the Franchised Produce Kiosk without Franchisor's prior written consent, which shall not be unreasonably withheld. In connection therewith, the appropriately approved secured party will be required by Franchisor to agree that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured Party and to cure any default of Franchisee.

Section 13.6 **Transfer for Convenience of Ownership.** Any proposed assignment and/or transfer of this Franchise Agreement by Franchisee to an affiliated or subsidiary corporation or other entity formed by Franchisee solely for the convenience of ownership shall be subject to Franchisor's prior written consent which Franchisor may condition upon any or all of the requirements set forth in Section 13.3 (as determined by Franchisor in its sole discretion). With respect to any proposed assignment or transfer under this Section 13.6, Franchisee shall be the owner of all of the voting stock or interest of such corporation or entity and if Franchisee is more than one individual or a business entity, each individual shall have the same proportionate ownership interest in the transferee corporation or entity as such individual business entity had in Franchisee prior to the transfer.

Section 13.7 **Right of First Refusal.** The "Right of First Refusal" attached hereto as Attachment E is hereby incorporated into this Franchise Agreement.

Section 13.8 **Transfer Upon Death or Permanent Disability.**

(a) Upon the death of any person with an interest in this Franchise Agreement and/or Franchisee (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall propose a transfer of such interest to a third party within sixty (60) days after the death of the Deceased for approval by Franchisor. If the transferee is not approved by Franchisor, then the executor, administrator or other personal representative of the Deceased shall propose a transfer of such interest to a third party for approval of the transfer by Franchisor within thirty (30) days after such death or disability. If Franchisor again disapproves or such transfer was made without the consent of Franchisor, Franchisor shall have the right to terminate this Agreement immediately.

(b) Upon the permanent disability of any person with an interest in this Franchise Agreement or Franchisee, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 13 within six (6) months after notice to Franchisee. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Franchise Agreement or in the Guaranty attached to this Franchise Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of the person; or if the person refuses to submit to an examination, then such person shall be automatically deemed permanently disabled as of the date of such refusal for the purpose of this Article 13. The costs of any examination required by this Section 13.7(b) shall be paid by Franchisor.

Section 13.9 **Non-Waiver of Claims.** Franchisor’s consent to a transfer of any interest under this Article 13 shall not constitute a waiver of any claims it may have against the transferor nor shall it be deemed a waiver of Franchisor’s right to demand full and exact compliance with any of the terms of this Franchise Agreement by the Franchisee.

Section 13.10 **Offerings by Franchisee.** Ownership interests in or other securities of a business entity Franchisee may be offered by private offering or otherwise, only with the prior written consent of Franchisor which consent shall not be unreasonably withheld. All documents or other offering materials used in such offering shall be submitted to Franchisor for a limited review as discussed below prior to their being used in the proposed offering. No Franchisee offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of Franchisee or Franchisor securities; and Franchisor’s review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No review of or comment upon (or any suggested revisions of) any offering materials by Franchisor or any other Franchisor Party or their legal counsel or other advisers or agents shall be taken to imply that Franchisor or any other Franchisor Party shall have any responsibility or liability for such offering materials or any statements or omissions of material information therein. Franchisor may, at its option, require Franchisee’s offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in this Section 13.10. Franchisee and the other participants in the offering shall fully indemnify Franchisor and the other Franchisor Parties in connection with any such offering. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$5,000. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section 13.10.

ARTICLE 14
DEFAULT AND TERMINATION

Section 14.1 **Obligations Material.** Franchisee acknowledges and agrees that each of the Franchisee’s obligations described in this Franchise Agreement is a material and essential obligation of

Franchisee; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and agrees that the exercise by Franchisor of the rights and remedies set forth herein are appropriate and reasonable.

Section 14.2 **Default and Automatic Termination.** Each of the following shall be deemed an event of default by Franchisee and, upon such default, this Franchise Agreement shall automatically terminate without notice to Franchisee or cure period.

(a) Franchisee shall become insolvent or makes a general assignment for the benefit of creditors.

(b) Any purported assignment, transfer, conveyance, give away, gift, pledge, mortgage or other encumbrance (by operation of law or otherwise) by Franchisee and/or Owners which does not comply with Article 13.

(c) Franchisee files a voluntary petition (or an involuntary petition involving Franchisee is filed) under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due or Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof or if Franchisee's auditors shall issue a going concern warning in respect of Franchisee in connection with any audit of Franchisee's financial statements.

(d) If a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee. If a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed). If Franchisee is dissolved or if execution is levied against Franchisee's business or property. If suit or other proceeding to foreclose any lien or mortgage against the Franchised Produce Kiosk (or equipment therein) is instituted against Franchisee and not dismissed within thirty (30) days or if the real or personal property of Franchisee's Franchised Produce Kiosk shall be sold after levy thereupon by any sheriff or other person with competent jurisdiction.

(e) Franchisee or any of Owners (i) violates any "Anti-Terrorism Laws", as defined below, (ii) is listed under any such Anti-Terrorism Laws, (iii) has any dealings with any person listed under any such Anti-Terrorism Laws, and/or (iv) assets are blocked under any such Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.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.

(f) If Franchisee ceases to have the approval or authorization to operate at the premises where the Franchised Produce Kiosks located, Franchisor may terminate this Agreement immediately upon written notice to Franchisee.

Section 14.3 **Other Defaults by Franchisee.** Each of the following shall be deemed an event of default by Franchisee under this Franchise Agreement requiring prior notice to Franchisee of the default as expressly set forth in each default listed below.

(a) Franchisee ceases to operate or otherwise abandons the Franchised Produce Kiosk at any time after executing this Franchise Agreement, unless the Franchised Produce Kiosk has been closed (i) for a purpose that has been expressly approved in writing by Franchisor; (ii) due to governmental order; (iii) due to fire, flood, other casualty, or other catastrophic forces beyond Franchisee's control (provided that in the case of subsection (iii) (A) such event was not caused by Franchisee's intentional and/or negligent acts, (B) that Franchisee applies within thirty (30) days after such event, for Franchisor's approval (which approval shall not be unreasonably withheld) to reconstruct the Franchised Produce Kiosk, which reconstruction is also conditioned upon the Host's approval which Franchisor shall use commercially reasonable efforts to obtain, and (C) Franchisee thereafter diligently pursues such reconstruction) or (iv) due to the Host Location preventing access to the Location of the Franchised Produce Kiosk; provided that none of the events described in subsections (ii)-(iv) are a result of Franchisee's breach of the Occupancy Agreement for the Location or Franchisee losing the right to transact business in the jurisdiction where the Franchised Produce Kiosk is located. Additionally, in accordance with Section 4.1 above, in the event that Franchisee fails to begin operations of the Franchised Produce Kiosk on the Effective Date due to Franchisee's acts or omissions, such failure shall constitute an event of default under this Section 14.3 and Franchisor shall be entitled the full Initial Franchise Fee.

(b) Franchisee or any of Owners or any of their respective employees or agents is indicted or convicted (regardless of any pending appeal) of a crime for which imprisonment is a potential penalty, or any other crime or offense that Franchisor believes, in its sole discretion, is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interest therein.

(c) Submission by Franchisee or any of Owners of a franchise application and/or management commitment form (or other documentation required under this Franchise Agreement) which contains any materially false or misleading statements or omits any material fact.

(d) Franchisee or any of Owners or any of their respective employees or agents engages in conduct that is deleterious or reflects unfavorably on Franchisor, the System, the Host Location or any party to the Occupancy Agreement, the Marks and/or the goodwill associated therewith including, without limitation, conduct which exhibits a disregard for the physical and mental well-being of employees, customers, Franchisor's representatives, the Host Location or any party to the Occupancy Agreement or the public at large (e.g., but not as a limitation, battery, assault, sexual harassment, discrimination, and other forms of threatening, outrageous, or socially unacceptable behavior).

(e) Franchisee fails to comply with this Franchise Agreement, the System, and/or any health, safety, or sanitation law, rule, or regulation relating to cleanliness and sanitation of the Franchised Produce Kiosk. Franchisee's construction, maintenance, and/or operation of the Franchised Produce Kiosk represents a threat or danger to public health or safety.

(f) Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

(g) Franchisee and/or any of Owners enters into a subfranchise agreement, management agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to this Franchise Agreement and/or the Franchised Produce Kiosk.

(h) Franchisee fails to pay the Initial Franchise Fee, the Management Fee, the NAP Fee, if any, and/or any other amounts due hereunder.

(i) Franchisee or any of Owners fails to comply with any provision of this Franchise Agreement.

(j) Franchisee has not opened the Franchised Produce Kiosk for business to the general public within thirty (30) days from the Effective Date of this Franchise Agreement.

Section 14.4 **Remedies for Default by Franchisee.** In the event of a default under Section 14.3, then Franchisor may, at its option, elect any one or more of the following remedies.

(a) With respect to a default under Section 14.3(a), Franchisor may terminate this Franchise Agreement immediately upon written notice of a default under Section 14.3(a), and may elect to operate the Franchised Produce Kiosk. In such event, Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in assuming the operation of such Franchised Produce Kiosk and shall also pay to Franchisor an early termination fee of \$10,000.

(b) With respect to a default under Section 14.3 (b), (c), (d), (e), (f), (g) and (j), such default shall be deemed an incurable material default. Franchisor may terminate this Franchise Agreement immediately upon written notice, which notice shall specify the nature of the default(s).

(c) With respect to other defaults under Section 14.3, Franchisor may terminate this Franchise Agreement upon five (5) days' prior written notice to Franchisee, which notice shall specify the nature of the default(s).

(d) Apply a progressive warning and non-compliance fee structure with fees up to \$7,000 per occurrence in accordance with Franchisor's then-current Brand Standards Manual.

(e) In lieu of immediately terminating the Franchise Agreement,, as set forth in Section 5.3(e) of this Agreement, Franchisor may, among other remedies, require a temporary closure of the Franchised Produce Kiosk and/or take over interim operation of the Produce Kiosk directly or through a designee for such period of time that the crisis (or failure to appear or food safety violations) are fully remedied to Franchisor's sole satisfaction. During any such period of interim operation, Franchisor or its designee will be entitled to all profits arising from such period of interim operation.

(f) In lieu of immediately terminating the Franchise Agreement, Franchisor may demand and require Franchisee to sell Franchisee's Produce Kiosk and transfer Franchisee's rights under this Agreement to a purchaser acceptable to Franchisor. After Franchisor demands such sale, Franchisee will have no further right or opportunity to cure a default or to reinstate Franchisee's right to continue operating Franchisee's Produce Kiosk. Except for Franchisor's right to approve a proposed purchaser and to ensure that all continuing fees and other amounts due Franchisor and/or Franchisee's trade creditors are paid at the closing of the sale, Franchisee will be entitled to establish and negotiate the terms of sale. If Franchisee does not execute a binding agreement with an approved purchaser and deliver a copy of such agreement to Franchisor within 90 days after Franchisee receives Franchisor's demand to sell, or does not consummate the sale within 45 days after negotiations are completed, Franchisor may terminate the Franchise Agreement without further notice. Franchisee acknowledges and agrees Franchisor will not act as a broker for any transaction contemplated by this Section and that actions to be taken by Franchisor in connection with approving a transfer pursuant to this Section will not make Franchisor a broker for such transfer.

(g) In addition to all other rights and remedies available under this Section 14.4, Franchisor may elect any other right or remedy available to Franchisor under this Franchise Agreement, at law or in equity.

Section 14.5 **No Cure Period.** Franchisee agrees there is no cure period for any of the events of default described in Section 14.2. Franchisee agrees there is no cure period for any of the events of default described in Section 14.3 except as expressly set forth in Section 14.4. If any applicable law or rule requires a notice period and/or a cure period, then the notice period and/or cure period required under such law or rule shall be substituted for the requirements herein.

Section 14.6 **No Waiver.** Forbearance by Franchisor to enforce its rights and remedies in this Article 14 in the event of a default by Franchisee shall not constitute a waiver of such default and shall not constitute a waiver by Franchisor of its rights and remedies in this Article 14 in the event of any subsequent default by Franchisee.

Section 14.7 **Remedies Not Exclusive.** No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

Section 14.8 **Default by Franchisor.** If Franchisor defaults in the performance of any term of this Franchise Agreement, then Franchisee shall deliver written notice of such default to Franchisor within thirty (30) days after such default and such notice shall clearly and definitively specify each act or omission constituting such default. Franchisor shall have one hundred and twenty (120) days from receipt of such notice to cure such default. If Franchisee believes Franchisor has not cured such default within the initial 120-day cure period, then Franchisee shall notify Franchisor of such uncured default and Franchisor shall have an additional 90-day period from such notice to cure the default. If Franchisee fails to notify Franchisor within either such period that such default has not been cured, then such default shall be deemed as cured.

Section 14.9 **Termination Without Cause.** To the fullest extent permitted under applicable law, Franchisor may terminate this Franchise Agreement for any reason or no reason upon written notice to Franchisee during the Initial Term or thereafter (including before the Franchised Produce Kiosk initially opens for business). However, if Franchisor terminates this Agreement during the Initial Term of this Agreement without cause, then Franchisor will pay to Franchisee an amount equal to the Initial Franchise Fee prorated in accordance with the number of days remaining in the Initial Term. No payments will be required during any Holdover Period or Full Renewal Term, or if Franchisor terminates this Agreement for cause in accordance with its terms.

ARTICLE 15

TERMINATION OR EXPIRATION OF FRANCHISE AGREEMENT

Section 15.1 **Termination or Expiration.** Upon termination or expiration of this Franchise Agreement, Franchisee agrees that all rights and licenses granted to Franchisee under this Franchise Agreement (including, without limitation, rights to use the System, the Brand Standards Manual, and the Marks) shall immediately terminate and any right, title, and interest claimed by Franchisee to any such matters shall immediately revert to Franchisor without further notice or documentation. Franchisee shall also comply with the following obligations:

(a) Franchisee shall immediately cease to operate the Franchised Produce Kiosk and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(b) Franchisee shall immediately and permanently cease to use, in any manner whatsoever, the System, the Marks, the Brand Standards Manual and the Confidential Information. In connection with the promotion, advertising, marketing, and/or operation of any other business conducted by Franchisee, Franchisee shall not, under any circumstances, use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks. Franchisee shall not use any designation of origin, description, or representation which falsely suggests or represents an association and/or connection (or former association or connection) with Franchisor.

(c) Franchisee shall immediately cease to occupy the Host Location and return to the Franchisor, or if so instructed by the Franchisor, the Host, any keys or other access elements in the possession of Franchisee or Owners or their respective employees or agents and comply with any "De-Identification Schedule" as may be provided by Franchisor to Franchisee or Owners.

(d) Franchisee shall immediately deliver to Franchisor the Brand Standards Manual, Confidential Information, all written materials bearing the Marks or identifying the Franchised Produce Kiosk, all computer hardware and software which may have been provided or licensed by Franchisor, such items as may be listed in the De-Identification Schedule, and all other records, files, instructions, correspondence, brochures, agreements, invoices, and other materials relating to the operation of the Franchised Produce Kiosk. Franchisee shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Franchise Agreement and copies of any correspondence between the Parties.

(e) Franchisee shall take such action as may be necessary to cease the use of any name that includes any words identified to Franchisor or the Marks, including cancelation of any assumed name or equivalent registration which contains such words or the Marks and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Franchise Agreement.

(f) Franchisor will pay the remaining Franchisee Earnings owing from Franchisor to Franchisee within ten (10) days after receipt of the final Host Payment for the period ending on such expiration or termination date, while first withholding all amounts owing to it by Franchisee. In the event the entire remaining Franchisee Earnings are withheld and Franchisee still owes amounts to Franchisor, then within then within ten (10) days after notice to Franchisee of receipt of the final Host Payment and such withholding therefrom, Franchisee will pay all remaining amounts owing under this Franchise Agreement including, without limitation, all Damages (including costs under subparagraph (g) below), incurred by Franchisor as a result of such termination or expiration. In the event Franchisee fails to comply with this subparagraph (f), then (in addition to any rights and remedies available to Franchisor), such failure shall give rise to and remain a lien in favor of Franchisor (until paid in full) against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee at the Franchised Produce Kiosk (in addition to any other rights and remedies available to Franchisor under this Franchise Agreement or applicable law).

(g) Within thirty (30) days before and after the expiration or termination of this Franchise Agreement, Franchisor may purchase (i) any or all of the furnishings, fixtures, equipment and signs, related to the Franchised Produce Kiosk for 50% of their original purchase prices and (ii) all usable food inventory purchased from Franchisor that Franchisee has on hand at the Host Location and in transit thereto that has already been paid for by Franchisee for 90% of its original purchase price. All purchase orders for food or other supplies provided by Franchisor not yet in transit shall immediately be deemed to be terminated by the Parties and Franchisor shall reimburse to Franchisee any cost paid for such food or other supplies.

(h) In the event Franchisee fails or refuses to comply with the requirements of this Section 15.1, then Franchisor shall have the right to enter the Location, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required under this Section 15.1, at the expense of Franchisee, which expense Franchisee agrees to pay to Franchisor upon demand.

Section 15.2 **Survival.** The terms of this Article 15 shall survive the termination or expiration of this Franchise Agreement. Franchisee shall pay to Franchisor all Damages incurred by Franchisor subsequent to the termination or expiration of this Franchise Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 15.

ARTICLE 16

NO-COMPETE CLAUSE AND RELATED COVENANTS

Section 16.1 **Best Efforts.** During the Term, Franchisee, Managing Owner and Operating Partner (as applicable) agree to devote full time and best efforts to the management and operation of the Franchised Produce Kiosk.

Section 16.2 **Receipt of Confidential Information.** Franchisee and Owners agree (i) they will either receive or have access to valuable specialized training and Confidential Information which is beyond their present skills and experience, and (ii) that such training and Confidential Information provide a competitive advantage and will be valuable to them in the operation of the Franchised Produce Kiosk, (iii) access to such training and Confidential Information is a primary reason for entering into this Franchise Agreement, (iv) such training and Confidential Information are provided by Franchisor for the benefit of the System and each Produce Kiosk under the System and (v) that the System and each such kiosk individually and mutually benefit from Franchisee's compliance with the covenants described below.

Section 16.3 **No-Compete Clause.** In consideration for such training and Confidential Information (and the other benefits provided to Franchisee by this Franchise Agreement), Franchisee and Owners agree and shall cause the employees and managers of the Produce Kiosk who have access to Confidential Information to agree as follows:

(a) During the Term, Franchisee, Owners and the employees and managers of the Franchised Produce Kiosk shall not directly, indirectly, or in any manner whatsoever:

(i) Divert or attempt to divert any business or customer of Franchised Produce Kiosks to any Competitive Produce Kiosk (defined below) or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Own, maintain, develop, operate, or have any interest in any Competitive Produce Kiosk. The term "Competitive Produce Kiosk" shall be deemed to mean any kiosk or similar establishment featuring Pan-Asian Food as primary menu items but shall not include other Franchised Produce Kiosks franchised from Franchisor.

(b) Commencing on (i) the expiration or termination of this Franchise Agreement or on the date of an approved transfer of all of Franchisee's interest in this Franchise Agreement and continuing for a period of two (2) years after such date, Franchisee and its employees and owners shall not directly, indirectly, or in any manner whatsoever:

(i) divert or attempt to divert any business or customer of any Franchised Produce Kiosk to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) own, maintain, develop, operate, or have any interest in any Competitive Produce Kiosk located in the United States of America.

(c) Commencing on (i) the expiration or termination of this Franchise Agreement or (ii) on the date which an individual or entity ceases to satisfy the definition of “Franchisee’s Owner” and continuing for a period of one year after such date, such Franchisee’s Owner shall not directly, indirectly, or in any manner whatsoever:

(i) divert or attempt to divert any business or customer of any Franchised Produce Kiosk to any Competitive Produce Kiosk or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) own, maintain, develop, operate, or have any interest in any Competitive Produce Kiosk located in the United States of America.

Section 16.4 **Managers and Employees.** At Franchisor’s request, Franchisee shall require and obtain execution of covenants substantially identical to those set forth in this Article 16 (including covenants applicable upon the termination of a person’s relationship with Franchisee) from any and all managers of Franchisee and any other employees of Franchisee who have received or will receive training or Confidential Information, and any holder of a beneficial interest of greater than one percent (1%) of the securities of Franchisee and any entity directly or indirectly controlling Franchisee, if Franchisee is an entity (or is a general partner, manager or managing member of an entity directly or indirectly controlling a general partner of Franchisee, if Franchisee is a partnership or limited liability company respectively). The covenants required by this Section 16.4 shall be substantially in the form contained in Attachment B.

Section 16.5 **Survival.** The terms of this Article 16 shall survive the termination, expiration, or any transfer of this Franchise Agreement. The Parties agree this Article 16 shall be construed as independent of any other provision of this Franchise Agreement. If all or any portion of this Article 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an non appealable final decision to which Franchisor is a Party, Franchisee and Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article 16.

Section 16.6 **Reduction in Scope.** Franchisee and Owners agree that Franchisor shall have the right, in its sole discretion, to reduce the scope of any provision, or portion thereof, in this Article 16 without their consent, effective immediately upon notice to Franchisee; and Franchisee and Owners agree that they shall comply forthwith with any provision as so modified, which shall be fully enforceable notwithstanding the provisions of Section 20.1.

Section 16.7 **No Defense.** Franchisee and Owners expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by Franchisor of the provisions of this Article 16. In addition to any other rights and remedies, Franchisee and Owners agree to pay all costs and expenses (including reasonable attorneys’ fees) incurred by Franchisor in connection with the enforcement of this Article 16.

Section 16.8 **Consent to Injunctive Relief.** Franchisee and Owners acknowledge that a violation of the terms of this Article 16 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee and Owners accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or Owners in violation of the terms of this Article 16 without the necessity of proving actual damages or requirement of posting bond or other security.

ARTICLE 17
RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION

Section 17.1 **No Fiduciary or Special Relationship.** The Parties agree (i) this Franchise Agreement does not create a fiduciary or other special relationship between them, and (ii) nothing in this Franchise Agreement is intended to designate either Party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

(a) During the Term, Franchisee shall hold itself out to the public as an independent operation operating the Franchised Produce Kiosk under this Franchise Agreement. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, if required by Franchisor, exhibiting a notice of that fact in a conspicuous place in the Franchised Produce Kiosk, the content of which Franchisor reserves the right to specify.

(b) The Parties agree that nothing in this Franchise Agreement authorizes Franchisee or any of Owners to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee or Owners or for any claim or judgment arising therefrom against Franchisee, any of Owners or Franchisor.

(c) Franchisee shall be the sole and exclusive employer of its employees with the sole right to hire, discipline, and discharge such employees and the sole right to establish wages, hours, benefits, employment policies and other terms and conditions of employment for such employees all as determined by Franchisee in its sole discretion without consultation or approval by Franchisor. Additionally, Franchisee must communicate to all employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or Franchisor's name. Franchisee shall be solely responsible for the payment of all social security taxes and/or other applicable payroll-related, government-mandated contributions and/or taxes and Franchisee shall indemnify and hold Franchisor and the other Franchisor Parties harmless from any liability for any such contributions and/or taxes.

Section 17.2 **Indemnity.** Franchisee and the Owners, jointly and severally, are responsible for all Damages (defined below), including any such Damages incurred by Franchisor, related to Franchisee's obligations under this Franchise Agreement, and the development and operation of the Franchised Produce Kiosk. Franchisee shall, at all times, indemnify and hold Franchisor and the other Franchisor Parties harmless to the fullest extent permitted by law (without regard to the cause thereof or the negligence of Franchisor or the other Franchisor Parties) from all Damages arising out of or resulting from:

(a) Any breach or alleged breach by Franchisee of any representation or warranty made by Franchisee under this Franchise Agreement.

(b) Any breach or alleged breach by Franchisee of any covenant, agreement, or obligation of Franchisee under this Franchise Agreement, including Franchisee's obligations relating to the development and operation of the Franchised Produce Kiosk.

(c) Any third-party claim, action, demand, or proceeding arising out of or relating to the development, ownership, operation, or maintenance of the Franchised Produce Kiosk by Franchisee.

(d) The infringement, alleged infringement, misuse or any other violation or alleged violation by Franchisee or any of Owners of any patent, mark or copyright or other proprietary right owned or

controlled by third parties (except as such may occur with respect to any right to or use of the Marks or other proprietary information granted hereunder).

(e) The violation or breach by Franchisee or any of its Owners of any federal, state or local law, regulation, ruling, standard or directive or any industry standard (including, without limitation, any claims related to the employment of Franchisee's employees.

(f) Libel, slander or any other form of defamation of Franchisor, the System or any developer or franchisee operating under the System, by Franchisee or by any of Owners.

Section 17.3 **Notice to Franchisor**. Franchisee and each of the Owners agree to give Franchisor prompt notice of any action, suit, proceeding, claim, demand, inquiry, or investigation brought by a third party that may give rise to indemnification obligations under this Franchise Agreement. With respect to any such third-party claim, Franchisor shall have the right, but not the obligation, to select legal counsel of its choosing and to control the defense and settlement of such claim, all at the expense of Franchisee and the Owners. Additionally, Franchisee and the Owners shall be responsible for all costs and expenses incurred in connection with such defense, including reasonable attorneys' fees, subject to reimbursement solely to the extent that it is finally determined in a non-appealable final judgment that indemnification is improper due to the actions or omissions of Franchisor. Franchisor's assumption or control of the defense shall not limit, waive, or otherwise diminish the indemnification obligations of Franchisee or the Owners under this Franchise Agreement. At the expense and risk of Franchisee and each of the Owners, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or associate legal counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee and each of the Owners to indemnify Franchisor and the other Franchisor Parties and to hold them harmless for any Damages for which Franchisor is entitled to indemnification.

Section 17.4 **Settlement or Other Remedial Actions**.

(a) In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective actions it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that (i) any of the acts or circumstances enumerated in Section 17.2 have occurred or (ii) any act, error, or omission as described in Section 17.2(e) may result directly or indirectly in damage, injury, or harm to any person or any property.

(b) All Damages incurred under this Article 17 shall be chargeable to and paid by Franchisee or any of Owners pursuant to its obligations of indemnity under this Article 17, regardless of any actions, activity, including settlement, remedial or corrective actions, or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense. Franchisor may settle any indemnifiable claim with or without the prior notice to or approval of Franchisee, as Franchisor deems appropriate in its sole discretion.

Section 17.5 **Definition of Damages**. As used in this Agreement, the term "Damages" shall include, without limitation, all liability, losses, damages (including, without limitation, compensatory, exemplary and punitive damages), claims, fines, charges, costs, expenses, debts, lost profits, reasonable attorney's fees, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described. Additionally, "Damages" shall include any uninsured or underinsured losses, amounts

within deductibles/self-insured retentions, carrier denials, or coverage gaps arising from Franchisee's failure to procure, maintain, or place insurance in a manner that fully satisfies Article 12.

Section 17.6 **No Liability.** Franchisor Parties do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee, or any of Owners, or Franchisee's or Franchisee's respective subsidiaries and affiliates or any of such parties' respective officers, directors, managers, shareholders, members, partners, agents, representatives, independent contractors and employees of Franchisee, its subsidiaries or affiliates may contract, regardless of the purpose.

Section 17.7 **No Requirement to Pursue Third Party.** Under no circumstances shall the Franchisor or any of the Franchisor Parties be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee or any of Owners. Franchisee and each of the Owners agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from Franchisee or any of Owners by Franchisor or any other Franchisor Parties.

Section 17.8 **Survival.** The terms of this Article 17 shall survive the termination, expiration, or any transfer of this Franchise Agreement.

ARTICLE 18

APPROVALS AND WAIVERS

Section 18.1 **Requests for Approvals.** Whenever this Franchise Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. Franchisor makes no warranties or guarantees upon which Franchisee or Owners may rely, and assumes no liability or obligation to Franchisee or such persons, to provide any waiver, approval, consent, or suggestion to Franchisee or Owners in connection with this Franchise Agreement, or by reason of any neglect, delay, or denial of any request therefor.

Section 18.2 **No Waiver.** No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or Owners under this Franchise Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee or Owners, or as to any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or Owners of any terms, provisions, covenants, or conditions of this Franchise Agreement.

ARTICLE 19

NOTICES

Any and all notices or other communications, reports, and payments permitted or required to be delivered by the provisions of this Franchise Agreement shall be delivered: (a) if sent by the Company, by any of the following methods: (i) personal delivery; (ii) overnight delivery service; or (iii) email to the Franchisee's most recently provided email address, with such notice by email deemed received at the time of transmission, provided that the Company retains electronic confirmation of delivery; and (b) if sent by Franchisee, by any of the following methods: (i) personal delivery; (ii) overnight delivery service; and (iii) by email to all email addresses specified below under "Notices to the Company," provided that such sender confirms any delivery under this clause (iii) by sending a confirmation copy by one of the methods described herein in clauses (i), or (ii) above within one (1) Business Day after transmission thereof to the respective parties at the notice addresses listed below. For the avoidance of doubt, any notice from Franchisee shall not be deemed received unless both the email (to all required addresses) and the physical notice have been delivered in accordance with this Article 19. So long as any notice is prepared, addressed,

and delivered in accordance with this Article 19, then any such notice shall be deemed to have been received (i) at the time of personal delivery, (ii) at the time of transmission in the case of email from the Company, or (iii) on the next Business Day in the case of overnight delivery service. The parties may change their notice information below by delivery of written notice to the other party in accordance with this Article 19 with new notice information. The Company may elect, in its sole discretion, to deliver copies of any notices to Franchisee under this Franchise Agreement to Franchisee's lender(s), landlord(s), and other similar third-parties, as the case may be. Notices delivered by Franchisor via email shall be deemed effective upon transmission, regardless of whether Franchisee acknowledges receipt.

Notices to Franchisor:

Elite Produce, LLC
251 Renner Pkwy.
Richardson, TX, 75080
Attn: Franchise Compliance Department
Email: legal@gbcfoodservices.com

Notices to Franchisee and Owners:

Attn: _____
Address: _____
EMAIL: _____

ARTICLE 20
MISCELLANEOUS PROVISIONS

Section 20.1 **Entire Agreement.** This Franchise Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior and contemporaneous agreements, discussions, correspondence, understandings and/or communications in any form or format between the Parties hereto with respect to the subject matter hereof. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Franchise Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. In entering into this Franchise Agreement, no Party is relying on any promise, warranty, inducement or representation by the other Party other than those expressly set forth herein. Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

Section 20.2 **Severability.** Except as expressly provided otherwise in this Franchise Agreement, each covenant, obligation, restriction, remedy, and provision of this Franchise Agreement is severable and independently enforceable, and if any provision (or any portion, application, or circumstance thereof) is determined by a court, arbitrator, or governmental authority of competent jurisdiction to be invalid, illegal, unenforceable, or in conflict with any present or future applicable law or regulation, such determination shall not impair, invalidate, or otherwise affect the validity or enforceability of the remaining provisions, which shall remain in full force and effect and bind the Parties; moreover, to the fullest extent permitted by applicable law, the Parties intend that any such provision shall be enforced to the maximum lawful extent and hereby authorize and request the adjudicating authority to modify, construe, reform, or "blue pencil" the provision only to the minimum extent necessary to render it valid and enforceable while preserving its original intent and protective purpose for Franchisor, its System, Confidential Information, brand, goodwill,

and other legitimate business interests, and if the adjudicating authority lacks authority to reform or modify the provision, the invalid portion shall be deemed severed solely to the extent of the invalidity and the Parties shall be deemed to have agreed to a lawful substitute provision that most closely effectuates the original intent and provides the greatest lawful protection to Franchisor, with all waivers, limitations of liability, indemnities, dispute resolution terms, and other protective provisions continuing uninterrupted in full force and effect.

Section 20.3 **No Benefit.** Except as expressly provided to the contrary herein, nothing in this Franchise Agreement is intended, nor shall be deemed, to confer upon any person or legal entity any rights or remedies under this Franchise Agreement (and otherwise except for Franchisee, Owners, Franchisor and Franchisor's officers, managers, and employees).

Section 20.4 **Agreement to be Bound.** Franchisee and Owners, as applicable, expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Franchise Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a Party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

Section 20.5 **Force Majeure.** Franchisor shall not be liable or responsible to Franchisee, or be deemed to have defaulted under or breached this Franchise Agreement, for any failure or delay in fulfilling or performing any term of this Franchise Agreement, when and to the extent such failure or delay is caused by or results from acts beyond Franchisor's control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God, pandemics and epidemics; (b) flood, fire, earthquake, national disasters, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances, including, but not limited to, global, regional, or local supply chain disruptions for any reason; and (h) telecommunication and electronic communication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; (i) hacking and security breaches, including denial of service; (j) global, regional, or local network outages of electronic servers and systems; and (k) other similar events beyond the control of Franchisor.

Section 20.6 **Captions.** All captions in this Franchise Agreement are intended solely for the convenience of all Parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

Section 20.7 **Survival.** Any obligation of Franchisee or Owners that contemplates performance of such obligation after termination, expiration, or any transfer of this Franchise Agreement shall be deemed to survive such termination, expiration or transfer. Additionally, all representations and warranties made under this Franchise Agreement shall survive for one (1) year after the termination of this Franchise Agreement.

Section 20.8 **References.** All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable; and, without limiting the obligations individually undertaken by the Owners hereunder, all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Franchise Agreement on behalf of Franchisee. Each reference in this Franchise Agreement to a corporation or partnership shall be deemed to also refer to a limited liability

company and any other entity or organization similar thereto. Each reference to the constating or organizational documents, owners, directors, managers and officers of an entity in this Franchise Agreement shall be deemed to refer to the functional equivalents of such organizational documents, owners, directors, managers, and officers, as applicable, in the case of any type of entity or organization similar thereto.

Section 20.9 **Counterparts.** This Franchise Agreement may be executed in multiple counterparts, all of which shall together be deemed to constitute one final agreement, and each such counterpart shall be deemed to be an original, binding the party who subscribed it. A signature transmitted by PDF, electronic mail or DocuSign shall be deemed an original signature that is effective and binding for all purposes.

Section 20.10 **Business Days.** The term “Business Days” means any days excluding Saturday, Sunday and the following national holidays: New Year’s Day, Martin Luther King Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Juneteenth, Thanksgiving and Christmas.

Section 20.11 **Franchisee’s Responsibility for Owners.** Franchisee shall be solely and completely responsible to ensure (and cause) each of the Owners to comply with the terms of this Franchise Agreement and each of the Owners must sign the Signature Page of Owners attached hereto. Franchisee agrees that any violation of the terms of this Franchise Agreement by Owners shall constitute an event of default under Article 14.

Section 20.12 **Outsourcing by Franchisor.** Franchisor may, in its sole discretion, elect to outsource and/or subcontract certain of Franchisor’s obligations set forth in this Franchise Agreement to subsidiaries, affiliates, contract employees, third-party vendors and/or other third-party suppliers; provided (i) any such outsourcing and/or subcontracting shall not discharge Franchisor from its obligations under this Franchise Agreement, and (ii) any such outsourced or subcontracted obligations shall be performed in accordance with the terms of this Franchise Agreement.

ARTICLE 21

DISPUTE RESOLUTION

Section 21.1 **Legal Remedies.** Franchisor and Franchisee will each have the right in a proper case to obtain specific performance, eviction from the premises of the Franchised Produce Kiosk, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee’s sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for Damages by reason of the wrongful issuance of any injunction being expressly waived).

Section 21.2 Non-Binding Mediation; Arbitration.

(a) The Parties agree that in the event of any dispute among the Franchisor, Franchisee and/or any of their respective Affiliates arising out of, relating to or in connection with this Franchise Agreement or the transactions contemplated hereby (each a “Dispute”), the Party asserting the Dispute must first deliver a detailed written notice (a “Notice of Dispute”) in strict compliance with Article 19 describing the nature of the Dispute, the specific provisions implicated, the facts supporting the Dispute, and the relief demanded, and enclosing all reasonably available supporting documentation. Following delivery of a Notice of Dispute, the Parties must negotiate in good faith for a minimum of one-hundred and twenty (120) days to resolve and cure the Dispute, during which period the initiating Party shall not commence mediation,

arbitration, or litigation (except that Franchisor retains all rights under Section 21.1 and for injunctive/extraordinary relief). If the Dispute is not resolved within such negotiation/cure period, the Dispute shall be submitted to confidential mediation at JAMS in Dallas County. The Parties shall cause the mediation to be conducted within forty-five (45) days after the matter is submitted to the mediator.. Any settlement or disposition agreed to in the mediation shall be final and binding on and enforceable against the parties to the Dispute if such settlement is executed by all parties to the Dispute.

(b) The Parties agree in the event of any Dispute is not resolved by informal negotiation or mediation pursuant to Section 21.2(a), such Dispute shall be resolved by confidential binding arbitration in front of a single arbitrator to be conducted by JAMS (formerly Judicial Arbitration and Mediation Services, Inc.) in Collin County, Texas, in accordance with its Comprehensive Arbitration Rules and Procedures (“CARP”), provided the JAMS Optional Expedited Arbitration Procedures set forth in Rule 16 of the CARP shall apply and control over any other conflicting CARP rules, and the Federal Arbitration Act (the “FAA”). This Franchise Agreement evidences a transaction involving interstate commerce, and the Parties expressly agree that the FAA (9 U.S.C. §§ 1–16) governs the interpretation, enforcement, and all proceedings under this Section 21.2 (including any delegation of threshold issues), and shall preempt any state law to the contrary to the fullest extent permitted by law. The Parties agree to participate in confidential arbitration within thirty (30) days after the date of the non-binding, confidential mediation at which the Parties failed to resolve the Dispute. Any award rendered by the arbitrator shall be final and binding on the parties to the Dispute submitted to arbitration, and judgment may be entered on it in any court of competent jurisdiction. The Parties agree to require the arbitrator to issue its written disposition of the matter(s) in dispute within thirty (30) days following the confidential arbitration. To the fullest extent permitted by applicable law, the arbitrator (and not any federal, state, or local court) shall have **exclusive authority** to resolve any dispute relating to the **interpretation, applicability, enforceability, unconscionability, formation, or validity** of this Franchise Agreement and/or this arbitration provision, including any claim that **all or any part** of this Franchise Agreement or this arbitration provision is **void, voidable, illegal, or otherwise unenforceable**. The Parties intend to delegate all such issues to the arbitrator under the Federal Arbitration Act; provided, however, that a court of competent jurisdiction may (i) grant **provisional injunctive relief** as expressly permitted by this Article 21, and (ii) decide such issues **only to the limited extent necessary** to determine an application for such provisional relief. Notwithstanding any provision of this Franchise Agreement to the contrary, Franchisor may initiate proceedings in any court of competent jurisdiction to seek an injunction or injunctions to prevent breaches of this Franchise Agreement, to enforce specifically the terms and provisions of this Franchise Agreement, to compel arbitration as required by this Section 21.2, to enforce or collect upon any arbitration award entered hereunder, or to claim Damages under Articles 9 and 16. This Section 21.2 does not cover any claims that are by law non-arbitrable (and only to the extent the law is not preempted by the FAA), unless the Franchisee elects to arbitrate such claims. The Parties agree that any such non-arbitrable claims and any proceedings initiated by Franchisor pursuant to this Section 21.2 shall be brought only in a state or federal court located in the Collin County, Texas. The Parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.

(c) The Parties hereby agree that all costs and fees of the mediator and/or arbitrator incurred by the Parties with respect to any non-binding, confidential mediation and/or binding, confidential arbitration shall be shared equally between the Parties.

Section 21.3 **Discovery**. In relation to any and all claims or disputes either Party may submit for mediation or arbitration or, to the extent permitted by this Franchise Agreement, to a court of competent jurisdiction, the Parties hereby agree to limit discovery document requests, depositions, requests for electronically stored information (“ESI”), interrogatories, requests for admission and requests for production as set forth below in this Section 21.3:

(a) The Parties waive all right to conduct oral, video, or in-person depositions or medical examinations.

(b) The Parties shall submit all discovery requests in writing to the other Party, which written discovery requests shall be limited to:

- (i) Ten (10) interrogatories;
- (ii) Ten (10) requests for admission; and
- (iii) Ten (10) requests for production.

(c) Each Party shall have sixty (60) days to respond to the requests identified in Section 21.3(b), and any failure to respond shall be deemed an admission in the favor of the non-responding Party.

(d) All written discovery requests identified in Section 21.3(b) must be served contemporaneously, and the failure to serve all written discovery requests contemporaneously shall be deemed a waiver of any and all future written discovery requests.

(e) Any documentation requested pursuant to Section 21.3(b) above shall be limited to only reasonable documentation pertaining to the Franchisee. Any requests for additional documentation in relation to ongoing arbitration between the Parties must first be preceded by such Party showing good cause for the request of such additional documentation.

(f) To the fullest extent permitted, ESI discovery shall be limited to reasonably accessible sources and must be narrowly tailored. Unless the arbitrator finds compelling good cause, (i) each side may identify no more than five (5) custodians for targeted ESI collection; (ii) each side may propose no more than ten (10) search terms (or short search strings) per custodian; (iii) searches shall be limited to a defined and reasonable date range tied to the Dispute; and (iv) no forensic imaging, device inspections, recovery of deleted/archived materials, or untailed requests for “all communications” shall be permitted. Productions shall be made in searchable PDF (or other reasonably accessible format) without metadata or native files unless the arbitrator finds specific necessity. The arbitrator shall enter protective orders as necessary, including “Attorneys’ Eyes Only” protections, and the Parties agree to a privilege claw back procedure under which inadvertent production shall not constitute waiver. No third-party subpoenas or third-party discovery may be pursued unless the arbitrator finds it strictly necessary and proportionate, and the requesting Party shall bear all third-party compliance costs to the fullest extent permitted. Requests seeking enterprise-wide datasets, statistical sampling, “pattern and practice” discovery, comparator lists, or workforce-wide analyses are prohibited absent a finding of strict necessity and proportionality.

(g) Depositions and oral testimony are not permitted unless the arbitrator determines that limited testimony or depositions are strictly necessary to provide a fair opportunity to present a claim or defense or to satisfy a mandatory, nonwaivable legal requirement. If permitted, depositions shall be limited to one (1) deposition per side of no more than three (3) hours, conducted remotely, with written declarations as the default for direct testimony.

The Parties by mutual written consent may waive part or all of this Section 21.3; provided, however, that that waiver of any part or all of this Section 21.3 with respect to an individual claim or dispute shall not be deemed a waiver for any other ongoing or future claims or disputes between the Parties.

Section 21.4 **Consent to Jurisdiction; Venue; Governing Law.** Subject to Section 21.2, Franchisee and Owners irrevocably (a) submit themselves to the exclusive jurisdiction of the State Courts

of Texas, located in Collin County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division; (b) waive all questions of personal jurisdiction for the purpose of effectuating this provision; (c) agree that service of process may be made upon any of them in any proceeding relating to, or arising out of, this Franchise Agreement (including the relationship contemplated by this Franchise Agreement) by any means allowed by Texas or Federal law; and (d) agree that venue for any proceeding relating to, or arising out of, this Franchise Agreement shall be exclusively in Collin County, Texas; provided Franchisor may bring an action for injunctive or other extraordinary relief in any state or federal court which has jurisdiction. With respect to all claims, controversies, disputes and/or actions, this Franchise Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules), except that any state law regarding (i) the offer and sale of franchises, (ii) franchise relationships and/or (iii) business opportunities will not apply unless the applicable jurisdictional requirements are met independently without reference to this paragraph. Franchisee, Owners, and Franchisor acknowledge the terms of this Section 21.4 provide each of the Parties with the mutual benefit of uniform interpretation of this Franchise Agreement and any dispute arising out of the relationship contemplated by this Franchise Agreement. Franchisee, Owners and Franchisor acknowledge the receipt and sufficiency of mutual consideration for such benefit. **Notwithstanding the foregoing, the FAA governs all issues relating to arbitration, arbitrability, delegation, and enforcement of this Article 21.**

WAIVER OF CONSUMER RIGHTS. Franchisee agrees that the Texas Business Opportunity Act and the Texas Deceptive Trade Practice Act (and any successor laws, rules or regulations thereto) do not apply to the transactions contemplated by this Agreement. I voluntarily waive my rights under the Deceptive Trade Practices-Consumer Protection Act, Section 17.41 et seq., Business & Commerce Code, a law that gives consumers special rights and protections. After consultation with an attorney of my own selection, I voluntarily consent to this waiver.

Section 21.5 **Class, Collective and Multi-Party Action Waiver.** Disputes among Franchisor, Franchisee and/or any of their respective Affiliates arising out of, relating to or in connection with this Franchise Agreement or the transactions contemplated hereby, including but not limited to the arbitrability of any such dispute, must be arbitrated on an individual basis only. No arbitrator has authority to join or consolidate claims or to proceed with arbitration on a class, collective, or multi-party basis, including, but not limited to, under California's Private Attorneys General Act of 2004 ("PAGA"). Any disputes concerning the applicability or validity of this waiver shall be decided by the arbitrator. Each Party waives (the "Waiver") the right to a jury or bench trial and also waives the right to bring, maintain, participate in, or receive money from any class, collective, and/or other multi-party proceeding, whether in arbitration or otherwise. The Parties agree to arbitrate all disputes among the Parties on an individual basis only. The arbitrator is without authority to preside over any dispute by you on behalf of any other franchisee(s) of the Franchisor or joined by or consolidated with another person's claim. The Waiver will be severable from this Agreement if there is a final determination by the arbitrator (or, only if and to the extent required by applicable law, a court of competent jurisdiction) that it is invalid, unenforceable, unconscionable, void, or voidable. Any such determination by the arbitrator shall be binding on the Parties and shall be given effect in any court proceeding to the fullest extent permitted by applicable law. In such case, the action must be litigated in a civil court of competent jurisdiction exclusively the State or Federal courts located in Collin County, Texas; provided, however, the portion of the Waiver that is enforceable will be enforced in arbitration.

Section 21.6 **Place of Execution of Franchise Agreement.** Franchisee, Owners, and Franchisor acknowledge (i) this Franchise Agreement was executed in Collin County, Texas; and (ii) performance of certain obligations of Franchisee and Owners under this Franchise Agreement, including payment of monetary sums due hereunder, shall occur at Franchisor's principal offices in Richardson, Texas.

Section 21.7 **Costs and Attorneys' Fees.** Prior to the commencement of litigation, arbitration, or other dispute resolution procedure and in the event Franchisor incurs costs and expenses (including attorneys' fees) in connection with Franchisee's failure to comply with (and/or failure to timely pay amounts owing to Franchisor under) this Franchise Agreement, then Franchisee shall promptly reimburse Franchisor for such reasonable costs and expenses. In the event of litigation, arbitration, or other dispute resolution procedure between the Parties to enforce this Franchise Agreement, the prevailing Party (or in the case of a disputed amount, the Party whose claimed amount is closest to the amount finally determined in such dispute resolution procedure) in any such action shall be entitled to recover reasonable costs and expenses from the other Party, including, without limitation, court costs, reasonable attorneys' fees, discovery and investigation costs, subject to offset of any specific amounts owed to the other Party.

Section 21.8 **Rights of Parties are Cumulative.** Franchisor's and Franchisee's rights under this Franchise Agreement are cumulative and the exercise or enforcement of any right or remedy under this Franchise Agreement will not preclude the exercise or enforcement by a Party of any other right or remedy under this Franchise Agreement which it is entitled by law or this Franchise Agreement to exercise or enforce.

Section 21.9 **Waiver of Punitive Damages and Jury Trial.**

(a) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY WAIVES ANY RIGHT TO RECOVER PUNITIVE, EXEMPLARY, MULTIPLE, OR ENHANCED DAMAGES FROM THE OTHER PARTY UNDER ANY LEGAL OR EQUITABLE THEORY OTHER THAN SUCH DAMAGES THAT ARE AWARDED TO A THIRD-PARTY LITIGANT. WITHOUT LIMITING THE FOREGOING, IN NO EVENT SHALL FRANCHISOR (OR ANY OF ITS AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES) BE LIABLE TO FRANCHISEE (OR ANYONE CLAIMING BY OR THROUGH FRANCHISEE) FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, OR FOR LOST PROFITS, LOST REVENUE, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL, OR BUSINESS INTERRUPTION, ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FRANCHISE RELATIONSHIP, OR THE FRANCHISEE'S OPERATION OF THE FRANCHISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FRANCHISEE'S SOLE AND EXCLUSIVE MONETARY REMEDY AGAINST FRANCHISOR FOR ANY CLAIM SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES PROVEN, AND IN ALL EVENTS FRANCHISOR'S AGGREGATE LIABILITY FOR ANY AND ALL CLAIMS SHALL NOT EXCEED THE INITIAL FRANCHISE FEE (FRANCHISE SIGNUP FEE) PAID BY FRANCHISEE TO FRANCHISOR. THIS SECTION DOES NOT LIMIT OR RESTRICT (A) FRANCHISEE'S OBLIGATIONS TO PAY ANY AMOUNTS DUE TO FRANCHISOR, (B) FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE, EQUITABLE, OR OTHER NON-MONETARY RELIEF (INCLUDING FOR CONFIDENTIALITY, INTELLECTUAL PROPERTY, SYSTEM MISUSE, OR POST-TERM OBLIGATIONS), OR (C) FRANCHISEE'S INDEMNIFICATION OBLIGATIONS WITH RESPECT TO THIRD-PARTY CLAIMS.

(b) EACH PARTY KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP.

Section 21.10 **Limitation of Claims.** As a material condition precedent to Franchisee asserting, maintaining, or participating in any claim, cause of action, demand, counterclaim, or proceeding of any kind (a "Claim") arising out of or relating to this Franchise Agreement, the franchise relationship, or any act or omission of Franchisor, Franchisee must provide Franchisor with written notice of the Claim within ninety (90) days after Franchisee knew or, through the exercise of reasonable diligence, should have known

of the facts giving rise to the Claim, and such notice must be delivered strictly in accordance with Section 19 (Notices) (including the required method(s) of delivery and the designated notice address(es)), be clearly labeled “NOTICE OF CLAIM,” and include reasonable detail regarding the factual basis, the specific contractual/statutory/legal grounds asserted, the relief sought (including a good-faith estimate of any monetary amounts), and all then-available supporting documentation; any failure to provide timely and fully compliant notice under this Section constitutes an irrevocable waiver of the Claim, and Franchisee shall be permanently barred from asserting such Claim in any forum to the fullest extent permitted by applicable law.

ARTICLE 22

ACKNOWLEDGMENTS

Section 22.1 **Investigation by Franchisee and Owners.** Franchisee and Owners agree that (i) they have conducted an independent investigation of the Franchised Produce Kiosk; (ii) the business venture contemplated by this Franchise Agreement involves business risks; and (iii) Franchisee’s success will be largely dependent upon the ability of Franchisee and its Owners as independent business people. Franchisor expressly disclaims the making of, and Franchisee and Owners agree not having received, any warranty or guarantee, express or implied as to the potential volume, profits, or success of the business venture contemplated by this Franchise Agreement. Further, Franchisee and Owners acknowledge that Franchisor has made no representations that Franchisee or any of Owners may or will derive income from the Franchised Produce Kiosk.

Section 22.2 **Receipt of Documents.** Franchisee and Owners acknowledge they have received a copy of Franchisor’s franchise disclosure document and have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of their own choosing at least fourteen (14) calendar days prior to its execution and they are entering into this Franchise Agreement after having made an independent investigation and not upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize.

Section 22.3 **Acknowledgement by Franchisee and Owners.** Franchisee and Owners acknowledge they have read and understood this Franchise Agreement, the Attachments hereto, and agreements relating hereto, if any, and that Franchisor has accorded Franchisee and Owners ample time and opportunity to consult with advisors of Franchisee’s own choosing about the potential benefits and risks of entering into this Franchise Agreement.

Section 22.4 **Franchisor’s Right to Vary the System and Other Standards.** Franchisee and Owners acknowledge and agree that other franchisees of the System may be granted franchise rights at different times and in different situations pursuant to franchise agreements which may substantially differ from this Franchise Agreement (including without limitation, Franchise Fees, advertising fees, and other fees). Franchisee and Owners acknowledge and agree that Franchisor reserves the right to vary the System and other standards, specifications, and operating procedures (including standards and specifications related to building, furniture, fixtures, equipment, and signage) to address different circumstances or for other reasons deemed sufficient by Franchisor, in its sole discretion.

[Remainder of page intentionally left blank; Signature Page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Franchise Agreement to be effective as of the Effective Date.

Franchisor:

Elite Produce, LLC

By: _____

Name: _____

Title: _____

Franchisee:

[Entity Name, if applicable]

By: _____

Name: _____

Title: _____

Management Fee (if different than provided for in the Franchise Agreement): _____

SIGNATURE PAGE OF OWNERS

As of the Effective Date of the Franchise Agreement, each of the undersigned acknowledges and agrees as follows:

- (1) This “Signature Page of Owners” constitutes a part of the Franchise Agreement.
- (2) Each of the undersigned is included in the term “Owners” as described in the Franchise Agreement.
- (3) Each has read the terms and conditions of the Franchise Agreement. Each acknowledges that the undertakings by Owners in the Franchise Agreement are made and given in partial consideration of, and as a condition and inducement to, Franchisor’s execution of the Franchise Agreement.
- (4) The undersigned individuals, jointly and severally, make all of the covenants, representations, and agreements of Owners set forth in the Franchise Agreement.

Owners:

_____ Signed as an Individual Name: _____	_____ Signed as an Individual Name: _____
_____ Signed as an Individual Name: _____	_____ Signed as an Individual Name: _____
_____ Signed as an Individual Name: _____	_____ Signed as an Individual Name: _____

SCHEDULE A

The Franchisor and Franchisee hereby agree that the Franchise Agreement's Effective Date shall be _____, 202__ (the "Effective Date"). Franchisor and Franchisee acknowledge and agree that the Effective Date and Execution Date may be different dates, and all references to the "Effective Date" in the Franchise Agreement by and between Franchisor and Franchisee shall mean the Effective Date set forth on this Schedule A.

FRANCHISOR:

Name:

Title:

Date:

FRANCHISEE:

Name:

Title:

Date:

ATTACHMENT A TO FRANCHISE AGREEMENT

THE LOCATION

Approved Location for the Franchised Produce Kiosk

Store Name	Store Address

ATTACHMENT B TO FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (this “Confidentiality Agreement”) is entered into between Elite Produce, LLC, a Delaware limited liability company (“Franchisor”), _____ (“Franchisee”) and _____ (“Covenantor” and together with each of Franchisor and Franchisee, each a “Party” and collectively, the “Parties”) to be effective as of _____, 20____ (the “Effective Date”). Capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Franchise Agreement unless otherwise defined herein.

RECITALS

Franchisor, as the result of the expenditure of time, skill, effort and money, has developed and owns a unique and distinctive system (the “System”) relating to the establishment and operation of produce kiosks (“Produce Kiosks”) which sell cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products (in such combination as Franchisor may determine is appropriate) (“Produce Products”) under the tradename, Elite Produce. Produce Kiosks are generally located at the premises of third-parties (the “Hosts”), typically upscale supermarkets (“Host Locations”), that in most instances are sourced by Franchisor and under leases, licenses or other rights to occupy such Host Location (“Occupancy Agreements”) between the Host Location and Franchisor.

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, furnishings, special recipes and menu items; uniform standards, specifications, and procedures for operations, Occupancy Agreements, quality and uniformity of menu items, Products and services offered, procedures for inventory, management, and financial control, training and support; financing programs; safety programs; quality control programs; Occupancy Agreements and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time-to-time.

Franchisor identifies the System by means of certain tradenames, brand names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, Elite Produce and such other tradenames, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor for use in connection with the System (collectively, the “Marks”).

The Confidential Information provides economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means to, Franchisor’s competitors who could obtain economic value from knowledge and use of the Confidential Information.

Franchisor has taken, and intends to take all reasonable steps to maintain the confidentiality and secrecy of Confidential Information.

Franchisor has granted Franchisee a limited right to operate Produce Kiosks using the System and Confidential Information pursuant to that certain Franchise Agreement, dated as of _____ (the “Franchise Agreement”), between Franchisor and Franchisee.

Franchisor and Franchisee have agreed the importance to Franchisor and to Franchisee and other licensed users of the System of restricting use, access and dissemination of Confidential Information.

Franchisor and Franchisee acknowledge it will be necessary for certain employees, directors, officers, partners, members, managers and owners of Franchisee to have access to and to use some or all of the Confidential Information in the operation of Produce Kiosks using the System.

Franchisee has agreed to obtain from those employees, directors, officers, partners, members, managers and owners written agreements protecting Confidential Information and the System against unfair competition.

Covenantor desires to remain (or desires to become) an employee, director, officer, partner, member, manager or owner of Franchisee and Covenantor desires to receive and use Confidential Information in the course of his or her employment. Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Parties acknowledge is sufficient to create a legally binding agreement, the Parties agree as set forth herein.

(1) Confidentiality Agreement.

(a) All information and materials (including, without limitation, the Brand Standards Manual), knowledge, know-how, or techniques concerning the Marks, the System, and methods of operation of the Produce Kiosk, including, without limitation, drawing, pictures, designs, software licensed or provided by Franchisor, recipes, training materials, construction plans and specifications, marketing information and strategies, and site evaluation and selection techniques shall be deemed as "Confidential Information". For the avoidance of doubt, a person describing his or her experience as a franchisee of Franchisor to another prospective franchisee of Franchisor shall not constitute the disclosure of Confidential Information.

(b) Covenantor shall receive Confidential Information in confidence and shall, at all times, maintain them in confidence, and use the Confidential Information only in the course of his or her employment by or association with Franchisee, or in the performance of Covenantor's other responsibilities to Franchisee, and only in connection with this Confidentiality Agreement and/or operation by Franchisee of a Produce Kiosk using the System for so long as Franchisee is licensed by Franchisor to use the System.

(c) Covenantor shall not, at any time, make copies of any documents or compilations containing some or all of Confidential Information without Franchisor's express written permission.

(d) Covenantor shall not, at any time, disclose or permit the disclosure of Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the operation of a Produce Kiosk using the System.

(e) Covenantor shall surrender the Brand Standards Manual and any other material containing some or all of Confidential Information to Franchisee or to Franchisor, upon request, or upon termination of employment by or association with Franchisee or Covenantor, or upon conclusion of the use for which Brand Standards Manual or other information or material may have been furnished to the Covenantor.

(f) Covenantor shall not, directly or indirectly, do any act or omit to do any act, which would or would be likely to be injurious or prejudicial to the goodwill of the System.

(2) Covenants Not to Compete.

(a) In order to protect the goodwill and distinctive qualities of the System and the confidentiality and value of Confidential Information, and in consideration for the disclosure to Covenantor of Confidential Information, Covenantor further agrees and covenants that, during the time Covenantor is employed by Franchisee, or is an officer, director, partner, member, manager or owner of Franchisee, Covenantor shall not:

(i) Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Franchisee's Produce Kiosks using the System to any kiosk or similar establishment featuring Pan-Asian Food as primary menu items (a, "Competitive Produce Kiosk").

(ii) Directly or indirectly, for Covenantor or through, on behalf of or in conjunction with any person, partnership or corporation, or other entity, without the prior written consent of Franchisor, own, maintain, develop, operate, engage in, or have any interest in, advise, help or make loans to any Competitive Produce Kiosk.

(b) In further consideration for the disclosure to Covenantor of Confidential Information and to protect the uniqueness of the System, Covenantor agrees and covenants for two (2) years following the termination of his or her employment or relationship by Franchisee (or Covenantor or, in the event Covenantor is an Owner, 1 year following the date Covenantor ceases to satisfy the definition of "Owner"), Covenantor shall not:

(i) Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Franchisee's Produce Kiosks using the System to any Competitive Produce Kiosk.

(ii) Directly or indirectly, for Covenantor or through, on behalf of or in conjunction with any person, partnership, corporation or other entity, without the prior written consent of Franchisor, own, maintain, develop, operate, engage in, or have any interest in, advise, help or make loans to any Competitive Produce Kiosk located in the United States of America.

(3) Miscellaneous.

(a) Franchisee undertakes to use its best efforts to ensure that Covenantor acts as required by this Confidentiality Agreement and any Franchise Agreement.

(b) Covenantor agrees that in the event of a breach of this Confidentiality Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Confidentiality Agreement and shall be entitled, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Confidentiality Agreement and/or the Franchise Agreement, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.

(c) Covenantor and Franchisee, jointly and severally, agree to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Confidentiality Agreement.

(d) Any failure by Franchisor or Franchisee to object to or take action with respect to any breach of any provision of this Confidentiality Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

€ Section 21.2 of the Franchise Agreement is hereby incorporated by reference, mutadis mutandis. Subject to Section 21.2 of the Franchise Agreement and except as expressly set forth below, Covenantor irrevocably (i) submits himself/herself to the jurisdiction of the State Courts of Texas, located in Collin County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division; (ii) waives all questions of personal jurisdiction for the purpose of effectuating this provision; (iii) agrees that service of process may be made upon any of them in any proceeding relating to, or arising out of, this Franchise Agreement (including the relationship contemplated by this Franchise Agreement) by any means allowed by Texas or federal law; and (iv) agrees that venue for any proceeding relating to, or arising out of, this Franchise Agreement shall be exclusively in Collin County, Texas; provided Franchisor or Franchisee may bring an action for injunctive or other extraordinary relief in any state or federal court that has jurisdiction. With respect to all claims, controversies, disputes and/or actions, this Confidentiality Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules).

(f) The Parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor or Franchisee is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Confidentiality Agreement.

(g) This Confidentiality Agreement, and the Franchise Agreement it is attached to, contain the entire agreement of the Parties regarding the subject matter hereof. This Confidentiality Agreement may be modified only by a duly authorized writing executed by all Parties.

(h) Any and all notices, reports and payments permitted or required to be delivered by the provisions of this Confidentiality Agreement shall be (i) personally delivered, (ii) delivered by overnight delivery service, (iii) delivered by certified/registered mail, return receipt requested, or (iv) delivered by email, electronic delivery, prepaid telex, or facsimile, provided sender confirms any delivery under this clause (iv) by sending a confirmation copy by overnight delivery service or certified/registered mail, return receipt requested, within one (1) Business Day after transmission thereof to the respective Parties at the addresses listed below. So long as any notice is prepared, addressed, and delivered in accordance with this subparagraph (h), then any such notice shall be deemed to have been received (i) at the time of personal delivery, (ii) at the time of transmission in the case of email, electronic delivery, facsimile or telex, provided confirmation is sent as described above, (iii) on the next Business Day in the case of overnight delivery service, or (iv) within three (3) Business Days after mailing in the case of registered or certified mail. At Party may change their notice information below by delivery of written notice to the other Parties in accordance with this subparagraph (h) with new notice information. Franchisor may elect (in its sole discretion) to deliver copies of any notices to Franchisee and Covenantor under this Confidentiality Agreement to their respective lender(s), landlord(s), and other similar parties.

Notices to Franchisor:

Elite Produce, LLC
251 Renner Pkwy.
Richardson, TX, 75080
Attention: Franchise Compliance Department
Email: lisel.ramirez@gbcfoodservices.com

Notices to Franchisee and Covenantor:

Attn: _____
Address: _____
EMAIL: _____

(a) The rights and remedies of Franchisor under this Confidentiality Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of Franchisee and the Covenantor hereunder are personal in nature and may not be assigned by Franchisee or Covenantor, as applicable, without the prior written consent of Franchisor.

[Remainder of page intentionally left blank; Signature Page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Confidentiality Agreement to be effective as of the Effective Date.

Franchisor:

By: _____

Name: _____

Title: _____

Franchisee:

[Entity Name, if applicable]

By: _____

Name: _____

Title: _____

Covenantor:

By: _____

Name: _____

Title: _____

ATTACHMENT C TO FRANCHISE AGREEMENT

OWNERS, MANAGING OWNER AND OPERATING PARTNER

Managing Owner: _____

Operating Partner: _____

<u>Owners</u>	<u>Percentage of Ownership</u>
---------------	--------------------------------

_____	_____
-------	-------

_____	_____
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_____	_____
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_____	_____
-------	-------

_____	_____
-------	-------

_____	_____
-------	-------

ATTACHMENT D TO FRANCHISE AGREEMENT

PRE-AUTHORIZED BANK TRANSFER (DIRECT DEBITS)

Name of Person or Legal Entity: _____

ID Number (if applicable): _____

Account Name: _____

Address: _____

The undersigned depositor ("Depositor") hereby authorizes ELITE PRODUCE, 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") and to debit such account pursuant to COMPANY'S instructions for any and all amounts due to COMPANY. The Depositor understands that all amounts debited from the account below will be credited to COMPANY'S account. IN LIEU OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, FRANCHISEE MAY ATTACH A CANCELLED OR VOIDED CHECK HERETO.

Depository

Branch

City

State

Zip code

Telephone Number of Bank

Contact Person at Bank

Bank Transit/ABA Number

Account Number

[Remainder of page intentionally left blank.]

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 to act on it. Notwithstanding the foregoing, Depository may terminate this authority by providing COMPANY and Depositor with thirty (30) days' prior written notice. 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:

Title:

Date:

Depository

By:

Contact Person at Bank

Account Number

ATTACHMENT E TO FRANCHISE AGREEMENT

RIGHT OF FIRST REFUSAL

Capitalized terms used in this Right of First Refusal shall have the meanings ascribed to such terms in the Franchise Agreement unless otherwise defined herein.

(1) In the event Franchisee receives (or delivers) an acceptable bona fide offer from a third party related to a proposed sale of the Franchised Produce Kiosk (or any portion thereof or interest therein), then Franchisee shall give Franchisor written notice setting forth the name and address of the prospective purchaser, the price and terms of the offer together with a franchise application completed by the prospective purchaser, a copy of the proposed purchase and sale agreement, and all exhibits, copies of any real estate purchase agreement or agreements, proposed security agreements and related promissory notes, assignment documents, title insurance commitment and any other information that Franchisor may request in order to evaluate the offer.

(2) Franchisor shall then have the right of first refusal to purchase Franchisee's interest covered by such offer at the price and upon the same terms of the offer. Franchisor shall have thirty (30) calendar days after receipt of Franchisee's notice of offer and the furnishing of all reasonably requested information within which to notify Franchisee in writing of its intent to accept or reject the offer. Silence on the part of Franchisor shall constitute rejection. Franchisee may not rely upon any notice from Franchisor of its intention to accept or reject the offer nor shall such notice be effective unless such notice is in writing and signed by an officer of Franchisor. In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the Parties cannot agree within a reasonable time on the reasonable equivalent in cash of the non-cash part of the offer, an independent appraiser shall be designated by Franchisor to determine such amount, and his determination shall be binding.

(3) If the proposed sale includes assets of Franchisee not related to the Franchised Produce Kiosk, then Franchisor may, at its option, elect to purchase only the assets related to the Franchised Produce Kiosk and an equitable purchase price shall be allocated to each asset included in the proposed sale.

(4) If (in addition to the Franchised Produce Kiosk) the proposed sale includes (i) other Franchised Produce Kiosk(s) operated by Franchisee (or affiliates of Franchisee) and/or (ii) Franchisor-franchised kiosks other than Franchised Produce Kiosks (the "Non-Produce Kiosks"), then Franchisor may, at its option, elect to purchase: (i) only the Franchised Produce Kiosk; (ii) only the other Franchised Produce Kiosk(s) operated by Franchisee (or affiliates of Franchisee or); (iii) only the Non-Produce Kiosks; or (iv) any combination of kiosks set forth in clauses (i)-(iii) whether on an individual kiosk basis or on an aggregate basis; and an equitable purchase price shall be allocated to each kiosk.

(5) To the extent any franchise agreements or other agreements relating to the Non- Produce Kiosks may be inconsistent with, or conflict with the terms of the right of first refusal contained herein, the terms of this right of first refusal shall control. This right of first refusal shall apply to any transfer, conveyance, assignment, consolidation, merger, change of ownership or any other transaction in which legal or beneficial ownership of the franchise granted in a franchise agreement is vested in an individual or entity other than Franchisee; provided, however, it shall not apply if Franchisee consists of more than one person and the transfer or assignment is from one partner to another, both of whom are signatories to this Franchise Agreement, so long as (i) the Managing Owner continues to satisfy the requirements set forth in this Franchise Agreement, and (ii) Franchisor is given written notice thereof prior to such transfer.

(6) The election by Franchisor not to exercise its right of first refusal as to any offer shall not affect its right of first refusal as to any subsequent offer.

(7) Any sale, attempted sale, assignment or other transfer of the rights pursuant to the Franchise Agreement which is effected without first giving Franchisor the right of first refusal described above shall be void and of no force and effect.

(8) If Franchisor does not accept the offer referenced herein, then Franchisee may conclude the sale to the purchaser who made the offer provided Franchisor's consent to the assignment be first obtained, which consent will not be unreasonably withheld upon compliance with the conditions imposed by Franchisor on the assignment including the conditions set forth in Article 13.

(9) In addition, Franchisee agrees that, prior to acquiring any other Franchised Produce Kiosk franchise which may be offered to it for sale or which it may offer to purchase, such franchise will first be offered to Franchisor on the same terms, conditions and price.

* * * * *

ATTACHMENT F TO FRANCHISE AGREEMENT

REQUIREMENTS FOR LOCAL ADVERTISING

1. Franchisee must obtain prior approval from Franchisor on all advertising materials to be used in the Local Advertising Program before production (including all in-store and external marketing pieces).
2. All advertising materials used in the local advertising must fall into the categories listed below.
 - (a) Advertising Materials for Use Inside Franchised Produce Kiosk. Franchisor-approved advertising materials for use inside the Franchised Produce Kiosk (e.g., food photography, table tents, rolodex table stands, menu inserts, drink coasters, chalkboards, banners, dangles, stickers, posters, promotional t-shirts and special promotional in-store bounce back certificates).
 - (b) Advertising Materials for Use Outside Franchised Produce Kiosk. Franchisor-approved advertising materials for use outside the Franchised Produce Kiosk (e.g., advertising on television, radio, and cinema including talent and residual costs, direct mail pieces, free-standing insert ads, newspaper or magazine ads, internet ads, bumper stickers, flyers, banners, door hangers, magnets, advertising on billboards and advertising on subway, mall, airport and telephone kiosks).
 - (c) Public Relations or Promotional Events. Franchisor-approved public relations materials, events or sponsorships (e.g., media press releases, media kits, talent for in-store promotional events such as face painting, clowns, etc., promotional giveaways items such as pens, pins, t-shirts, etc.).
 - (d) Co-Operative Advertising Agreements. Franchisor-approved cooperative advertising efforts (e.g., advertising which may be required under the lease agreement for the Franchised Produce Kiosk).

ATTACHMENT G TO FRANCHISE AGREEMENT

GUARANTY OF FRANCHISE AGREEMENT (“GUARANTY”)

The undersigned (“Guarantor”), for the purpose of inducing Elite Produce, LLC, a Delaware limited liability company (“Franchisor”), to enter into that certain Franchise Agreement dated _____ (as amended, restated, supplemented or otherwise modified from time to time, and including all Attachments thereto, the “Franchise Agreement”) with _____, a _____ (“Franchisee”), hereby agrees to be individually bound (and if multiple guarantors, jointly and severally bound) by all the terms and conditions of the Agreement and unconditionally and irrevocably guarantee to Franchisor and its successors and assigns that all of Franchisee’s obligations under the Franchise Agreement will be punctually paid and performed.

Upon written demand from Franchisor after a default by Franchisee under the Franchise Agreement, Guarantor will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement. Without affecting the obligations of the Guarantor under this Guaranty, Franchisor may, without notice to Guarantor, increase, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor hereby waives all demands and notices of every kind with respect to this Guaranty and the Franchise Agreement, including, without limitation, notice of: the amendment or modification of the Franchise Agreement, the demand for payment or performance by Franchisee or Franchisor, any default by Franchisee or any guarantor, and any release of any other guarantor or other security for the Franchise Agreement or the obligations of Franchisee.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

Upon receipt by Franchisor of notice of the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors hereunder will continue in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty to be effective as of the Effective Date of the Franchise Agreement.

Acknowledged and Agreed by Guarantor:

Name: _____
(Signed as an Individual)

Date: _____

EXHIBIT B to FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registrations Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 W. Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Office of the Attorney General
200 St. Paul Place
Baltimore, Maryland 21202

MICHIGAN

Department of Labor & Economic Growth
Commercial Services & Corporations Bureau
611 W. Ottawa Street
Lansing, Michigan 48909

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101
(651) 539-1600

NEW YORK

Attn: New York Secretary of State

NORTH DAKOTA

Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
Phone 701-328-2910

OREGON

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

EXHIBIT C to FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[Attachments follow]

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Elite Produce, LLC

Financial Statements as of 5/29/2026

Contents

Financial Statements

Opening Balance Sheet	1
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Financial Statement:

Elite Produce, LLC	
Assets	5/29/26
Current Assets	(Unaudited)
Cash	\$10,000.00
Total Assets	\$10,000.00
Shareholders' Equity	
Shareholders' Contribution	\$10,000.00
Accumulate deficit	\$0
Total Shareholders' Equity	\$10,000.00

Elite Produce, LLC

Notes to Financial Statements

5/29/2026

1. Organization and Basis of Presentation

Background

Elite Produce, LLC (the Company) is a Delaware limited liability company formed on January 27, 2026.

The Company was formed primarily for the purposes of serving as the operator and franchisor for the establishment and operation of food kiosks/workspaces (“Produce Kiosks”) which prepare and sell cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products (in such combination as Franchisor may determine is appropriate) utilizing the trade name, Elite Produce.

The Company was funded by an equity contribution totaling \$10,000 from Fresh Food Concepts dba GBC Food Services.

We operate on a 4/4/5 fiscal calendar year ending on the Sunday nearest December 31.

EXHIBIT D to FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

State Administrators

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Department of Commerce and Consumer Affairs
Business Registrations Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586 2722

ILLINOIS

Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782 4465

INDIANA

Franchise Section
Securities Division
302 W. Washington St., Room E 111
Indianapolis, Indiana 46204
(317) 232 6681

KENTUCKY

Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40602
(502) 696 5300

MARYLAND

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

MICHIGAN

Office of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101
(651) 539-1600

NEBRASKA

Department of Banking and Finance
1526 K Street, Suite 300
P.O. Box 95006
Lincoln, Nebraska 68509
(402) 471 3445

NEW YORK

New York State Department of Law
Investor Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271

NORTH DAKOTA

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
Phone 701-328-2910

OREGON

Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378 4387

RHODE ISLAND

Securities Division
233 Richmond Street, Suite 232
Providence, Rhode Island 02903
(401) 222 3048

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

TEXAS

Statutory Document Section
Secretary of State
P.O. Box 12887
Austin, Texas 78711
(512) 475 1769

UTAH

Division of Consumer Protection
Utah Department of Commerce
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114
(801) 530 6601

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371 9051

WASHINGTON

Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200

WISCONSIN

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
201 W. Washington, Suite 300
Madison, Wisconsin 53703
(608) 266 8559

EXHIBIT E to FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES AND INDEPENDENT CONTRACTORS

The names of all current franchisees and independent contractors, and the address and telephone number and address of each of their outlets are listed below. Certain franchisees listed below may own more than one outlet.

None

LIST OF FORMER FRANCHISEES

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee or independent contractor who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with Franchisor during the most recently completed fiscal year or who has not communicated with the Franchisor within 10 weeks of the disclosure document issuance date is listed below:

None

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE
AGREEMENT

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE FRANCHISE REGISTRATION STATES

Required NASAA Statement. The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*:

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

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

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

1. Item 3 of the Disclosure Document is supplemented by the following language:

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

2. Item 6 of the Disclosure Document is supplemented to reflect that 10% per annum is the highest interest rate allowed in California.

3. Item 17 of the Disclosure Document is supplemented by the following language:

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

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

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

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

The Franchise Agreement requires submission of dispute to courts located in Texas. This provision may not be enforceable under California law.

The Franchise Agreement requires you to waive your right to a trial by jury. This provision may not be enforceable under California law.

The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

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

4. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS BEFORE SIGNING THE AGREEMENT.
5. OUR WEBSITE (<https://www.gbcfoodservices.com/>) 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.
6. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.
7. 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.
8. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, Any provision of a franchise agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII**

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES 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 THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR 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 THE FRANCHISOR AND THE FRANCHISEE.

**ADDENDUM TO ELITE PRODUCE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

Illinois law governs the Franchise Agreement.

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

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

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

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

The Franchisor will not require or accept the payment of any initial franchise fees until (a) the Franchisor has fulfilled its pre-opening obligations under the Franchise Agreement and Franchise Disclosure Document, and (b) the Franchisee is open for business. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

**ADDENDUM TO ELITE PRODUCE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17, under the Summary column of part (h), is amended to include the following sentence:

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

3. Item 17, under the Summary column of part (v), is modified to include the words “A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

4. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

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

7. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN**

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

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

As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. Items 5 and 7 are amended to add the following:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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

**ADDENDUM TO ELITE PRODUCE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations. C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive

order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

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

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO ELITE PRODUCE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

1. Items 6 and 17(i) of this disclosure document are amended to reflect that all liquidated damages provisions in the Franchise Agreement are deleted in their entirety.
2. Item 17(r) of this disclosure document is amended to reflect that covenants not to compete such as those contained in the Development Agreement and Franchise Agreement are generally considered unenforceable in the State of North Dakota.
3. Item 17(v) of this disclosure document is amended to reflect that the jury trial waiver provisions in the Development Agreement and the Franchise Agreement are deleted in their entirety.
4. Item 17(w) of this disclosure document is amended to reflect that the choice of law provisions in the Development Agreement and the Franchise Agreement may not be enforceable in the State of North Dakota.
5. Notwithstanding the Development Agreement and the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages, this provision is deleted in its entirety.
6. Notwithstanding the Development Agreement and the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year, the provision is changed to read the statute of limitations under North Dakota Law will apply.
7. Notwithstanding the Development Agreement and the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement, the provision is changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

The following language will apply to Disclosure Documents issued in Rhode Island and be attached by addendum to Agreements issued in the state of Rhode Island:

If any of the provisions of this disclosure document (Risk Factor 1., Cover Page, and Item 17) are inconsistent with §19-28.1-14 of the Rhode Island Franchise Investment Act, which states that a provision in an Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act, then said Rhode Island law will apply.

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document and will apply to all franchises offered and sold under the laws of the State of South Dakota:

1. Item 5 is amended to add the following:

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens for business.

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

**ADDENDUM TO ELITE PRODUCE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Any securities offered or sold by the franchisee as part of the Produce Kiosk must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

Washington Addendum to the Franchise Disclosure Document and All Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Further, with respect to this Franchisor in Washington:

In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until (a) the franchisor has fulfilled its pre-opening obligations under the franchise agreement and franchise disclosure document, and (b) the franchisee is open for business.

Section 1.2(e) of the Franchise Agreement does not apply with respect to claims arising under RCW 19.100, and the rules adopted thereunder.

Section 2.2 of the Franchise Agreement may be superseded by RCW 19.100.180(1) or RCW 19.100.180(2)(h).

The release in Section 3.6 of the Franchise Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

With respect to the waiver set forth in Section 13.1(a) of the Franchise Agreement, such provision shall not apply to franchisees with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

With respect to Section 13.9 of the Franchise Agreement, the fee a Washington franchisee will pay Franchisor in connection with a securities offering is limited to the Franchisor’s reasonable expenses reviewing the offering.

Section 15.1(g) for the Franchise Agreement may be superseded by RCW 19.100.180(2)(j).

The non-competition provisions in Sections 16.3(b)(ii) and 16.3(c) of the Franchise Agreement shall be limited to twenty-five (25) miles from any Produce Kiosk in operation at the time of expiration or termination of this Franchise Agreement.

Sections 22.1, 22.2 and 22.3 of the Franchise Agreement do not apply in Washington.

Section 22.4 of the Franchise Agreement does not modify the Franchisor’s duty to comply with the antidiscrimination provision under RCW 19.100.180(2)(c).

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer and nonrenewal of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.
- b. The Franchise Agreement requires Franchisee to execute a release of claims in certain instances. Such release will exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- c. The Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671. Accordingly, the liquidated damage clause may be unenforceable.
- d. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
- e. Both the governing law and choice of law for Franchisees operating outlets located in California will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
- f. The Franchise Agreement requires an interest rate greater than 10% per annum (the highest amount allowed in California). Accordingly, such interest rate will be reduced to 10% per annum.
- g. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

- h. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- i. Based upon our financial condition, the California Department of Financial Protection and Innovation has imposed a fee deferral requirement. Accordingly, you will not be required to pay the initial franchise fees due to us and/or our affiliates until we have completed all our pre-opening obligations to you and you begin operating your franchise business.

2. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
 Name: _____
 Its: _____

Effective Date: _____

By: _____
 Name: _____
 Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF HAWAII**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

HAWAII LAW MODIFICATIONS

1. None

IN WITNESS WHEREOF, the parties hereto have signed this Agreement. Upon execution and delivery of this Agreement by both parties the effective date shall be the date first above written.

FRANCHISOR

FRANCHISEE

**ELITE PRODUCE, LLC,
a Delaware limited liability company**

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

Illinois law governs the Franchise Agreement.

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

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

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

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

Franchisor will not require or accept the payment of any initial franchise fees until (a) Franchisor has fulfilled its pre-opening obligations under the Franchise Agreement and the Franchise Disclosure Document, and (b) Franchisee is open for business. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et. seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Franchisee is required in this Agreement to execute a release of claims and/or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act. Such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments will be void with respect to claims under the Law.
- b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement will not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- b. The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- c. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- d. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. All representations in this Agreement requiring prospective franchisees to assent to any release, estoppel or waiver of liability are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise.
- e. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and

payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

- f. Sections 22.1 through 22.3 (Acknowledgments) of the franchise agreement are deleted in their entirety and not applicable in Maryland.

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

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Franchise Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that Franchisee’s use of the Proprietary Marks infringes trademark rights of the third party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Proprietary Marks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that Franchisee be given written notice of a Franchisor’s intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement shall be superseded by the Act’s requirements and shall have no force or effect.

d. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.

e. If the Franchise Agreement and/or the Franchise Disclosure Document requires that it be governed by a state's law, other than the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring Franchisee to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement and/or the Franchise Disclosure Document shall be superseded by the Minn. Rule's requirements and shall have no force or effect.

h. Franchisee cannot consent to the Franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

i. The Limitations on Actions section must comply with Minnesota Statutes, Section 80C.15, Subd. 5.

j. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

k. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

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

3. Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

4. Each provision of this Agreement and/or the Franchise Disclosure Document will be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

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

enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release will exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments will be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.
- c. Notwithstanding any rights Franchisee may have in the Franchise Agreement permitting Franchisee to terminate the Franchise Agreement, Franchisee may also have additional rights to terminate the Franchise Agreement on any grounds available by law.
- d. With respect to any transfer or assignment by Franchisor, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor’s obligations under the Franchise Agreement.

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

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate North Dakota Law, or a rule or order under North Dakota Law, such release will exclude claims arising under North Dakota Law, and such acknowledgments will be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.
- d. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under North Dakota Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. Section 21 of the Franchise Agreement entitled “Jury Trial Waiver” is deleted in its entirety.
- g. Section 22 of the Franchise Agreement entitled “Liquidated Damages” is deleted in its entirety.

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

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of North Dakota Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release will exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments will be void with respect to claims under the Act.

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

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to

comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

FRANCHISEE

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

SOUTH DAKOTA LAW MODIFICATIONS

1. Based upon the Franchisor’s financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement.

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

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**ELITE PRODUCE, LLC,
a Delaware limited liability company**

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF VIRGINIA**

The Elite Produce Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and ELITE PRODUCE, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

VIRGINIA LAW MODIFICATIONS

1. The Virginia State Corporation Commission, Division of Securities and Retail Franchising requires that certain provisions contained in franchise documents be amended to be consistent with Virginia law. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

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

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

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

Effective Date: _____

By: _____
Name: _____
Its: _____

Date: _____

**AMENDMENT TO ELITE PRODUCE
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the

term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims

under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
19. Further, with respect to this Franchisor in Washington:

In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until (a) the franchisor has fulfilled its pre-opening obligations under the franchise agreement and franchise disclosure document, and (b) the franchisee is open for business.

Section 1.2(e) of the Franchise Agreement does not apply with respect to claims arising under RCW 19.100, and the rules adopted thereunder.

Section 2.2 of the Franchise Agreement may be superseded by RCW 19.100.180(1) or RCW 19.100.180(2)(h).

The release in Section 3.6 of the Franchise Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

With respect to the waiver set forth in Section 13.1(a) of the Franchise Agreement, such provision shall not apply to franchisees with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

With respect to Section 13.9 of the Franchise Agreement, the fee a Washington franchisee will pay Franchisor in connection with a securities offering is limited to the Franchisor’s reasonable expenses reviewing the offering.

Section 15.1(g) for the Franchise Agreement may be superseded by RCW 19.100.180(2)(j).

The non-competition provisions in Sections 16.3(b)(ii) and 16.3(c) of the Franchise Agreement shall be limited to twenty-five (25) miles from any Produce Kiosk in operation at the time of expiration or termination of this Franchise Agreement.

Sections 22.1, 22.2 and 22.3 of the Franchise Agreement do not apply in Washington.

Section 22.4 of the Franchise Agreement does not modify the Franchisor’s duty to comply with the antidiscrimination provision under RCW 19.100.180(2)(c).

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____ 20__.

FRANCHISOR

FRANCHISEE

ELITE PRODUCE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

Effective Date: _____

Date: _____

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT
FORM OF GENERAL RELEASE

Dated: _____, 20__

Reference is made to the Franchise Agreement, dated as of _____, 20__ (the "Franchise Agreement"), between the undersigned ("Franchisee") and Elite Produce, LLC, Inc., a Delaware limited liability company ("Franchisor"). Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Franchise Agreement.

1. **General Release.** Franchisee, for himself/herself and his/her family, heirs, spouse, agents, executors, administrators, legal representatives and their respective successors and assigns (each, a "Releasing Party"), in consideration for the opportunity to renew or transfer the Franchise Agreement, as applicable, does hereby irrevocably, fully, knowingly, voluntarily and unconditionally release and forever discharge (i) Franchisor, (ii) each current and former affiliate (including subsidiaries) of any person or entity referenced in the immediately preceding clause (i), each current and former direct or indirect shareholder, member or other equity holder of any person or entity referenced in the immediately preceding clauses (i), and each current and former affiliate (including subsidiaries) of each such shareholder, member and each such other equity holder; (iii) each predecessor, successor, heir, and assign of any person or entity referenced in any of the immediately preceding clauses (i) through (ii), whether or not acting in his, her or its representative or individual capacity; and (iv) each current and former attorney, agent, insurer, trustee, fiduciary, advisor, director, manager, principal, officer, benefit plan, benefit plan fiduciary, shareholder, member, general partner, limited partner, other equity holder, representative, control person or entity or employee of any persons or entities referenced in any of the immediately preceding clauses (i) through (iii) (and each other person or entity with a functionally equivalent role of a person or entity holding such titles notwithstanding the lack of such title or any other title) and each of their respective predecessors, successors, heirs, agents and assigns (all of the persons and entities referenced the immediately preceding clauses (i) through (iv) are collectively referred to herein as the "Released Parties") from any and all actions, accounts, agreements, claims, contracts, covenants, debts, demands, obligations, suits, counter-claims, defenses, rights, omissions, promises, damages, losses, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, attorneys' fees and costs of defense and investigation), expenses and liabilities of any kind and nature whatsoever, whether known or unknown, absolute or contingent, suspected or unsuspected, matured or unmatured, in contract, tort, by statute, at law in equity or otherwise (collectively, "Claims") which any Releasing Party may now own, hold, have or claim to have, in each case, against any of the Released Parties for, upon or by reason of any nature, cause, action or inaction or thing whatsoever which arises from the beginning of the world to time of the execution and delivery of this Agreement by the Franchisee (collectively, the "Released Claims"), it being expressly understood that the Released Claims include, without limitation, all Claims under the Franchise Agreement and all Claims under any applicable laws, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job.

2. **Covenant Not to Sue.** Franchisee, on behalf of Franchisee and all of the other Releasing Parties, covenants that Franchisee will not (and that Franchisee will cause all other persons or entities who may seek to claim as, by, through or in relation to any of the Releasing

3. Parties or any of the matters released by or on behalf of the Releasing Parties in this General Release of Claims not to) sue any of the Released Parties on the basis of or in any way relating to any Released Claim (regardless of whether the release of any such Released Claim is enforceable under, or prohibited by, applicable law or otherwise).

4. **Rights Excluded from Release.** Notwithstanding anything in Section 1 of this Exhibit A to the contrary, this General Release of Claims shall not apply to any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed. Franchisee understands and agrees that except for Franchisee's specific rights enumerated in the immediately preceding sentence, Franchisee's release in Section 1 of this Exhibit A above constitutes a general as well as a specific release of each of the Released Parties from all Released Claims.

5. **No Pending Actions.** Franchisee represents and warrants to Franchisor that the Releasing Parties are the sole owners of all of the Released Claims and have not sold, assigned, transferred or otherwise disposed of or encumbered any of the Released Claims. Franchisee further represents and warrants that Franchisee has not filed or initiated, or caused to be filed or initiated, any complaint, claim, charge, or cause of action of any type against any of Released Parties in any federal or state court or with any federal, state or local governmental agency. Franchisee agrees that Franchisee will not file or initiate, or cause to be filed or initiated, any complaint, claim, charge, or cause of action of any type against any of the Released Parties in any federal or state court or with any federal, state or local governmental agency. Franchisee further agrees not to be a member of any class action in any court or before any governmental agency or in any private forum seeking relief against any of the Released Parties based on or arising out of any of the Released Claims and waives any right to, and agrees that Franchisee will not accept, any monetary relief or any other form of relief as a result of any such class action. Franchisee shall indemnify and hold harmless all of the Released Parties against whom any such claim, charge, cause of action, or proceeding is brought from and against any and all reasonable attorneys' fees, costs, witness fees, expert witness fees and out-of-pocket expenses incurred by any of them in defending against such Released Claims or as a result of any judgment, order, or fine imposed or settlement made as to any such Released Claims in connection with any such charge, claim, cause of action or other proceeding.

6. **No Unpaid Compensation.** Franchisee acknowledges and agrees that, as of the date of execution of this General Release of Claims, Franchisee is not owed any Franchisee Payment or other compensation or payments by the Franchisor or any other Released Party.

7. **Recommendation to Seek Counsel.** Franchisee acknowledges that Franchisee has read this General Release of Claims, that Franchisee has been advised that he/she should consult with an attorney before he/she executes this general release of claims, and that Franchisee understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

8. **Misc.** Franchisee acknowledges that this General Release of Claims will be subject to the governing law, venue, jurisdiction, jury trial waiver, and other dispute resolution and interpretation provisions set forth in the Franchise Agreement, which are hereby incorporated by reference as if fully set forth herein. This General Release of Claims will inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

[Signature Page Follows]

FRANCHISEE:

Name:

_____, 20__

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Applicable
Hawaii	Not Applicable
Illinois	Not Applicable
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Not Applicable
New York	Not Applicable
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Not Applicable
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**ITEM 23
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 Elite offers you a franchise, it must provide this disclosure document to you fourteen (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, or sooner if required by applicable state law.

Indiana and Michigan require us to provide you the disclosure document at least ten (10) business 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.

Hawaii, Minnesota, and North Dakota require us to provide you the disclosure document at least seven (7) business 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.

Maryland requires us to provide you the disclosure document at the earlier of your reasonable request to receive a copy of this Franchise Disclosure Document or fourteen (14) 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.

New York requires us to provide you the disclosure document at the earlier of the first personal meeting or ten (10) business 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.

If Elite 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 any applicable state agency. (Please see Exhibit D for a list of state agencies.) Exhibit B contains a list of our agents for service of process.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Lal Hming Sanga (Y__/N__) Newstar Sui (Y__/N__) FNU Genivi (Y__/N__) Far Chin Sung (Y__/N__) Cung Bawi (Y__/N__)	251 Renner Pkwy., Richardson, TX 75080	972-402-9498

Issuance Date: May 29, 2026

I received a disclosure document dated May 29, 2026. The disclosure document included the following Exhibits and Attachments:

- Exhibit A – Franchise Agreement
- Exhibit B – Agents for Service of Process
- Exhibit C – Financial Statements
- Exhibit D – List of State Administrators
- Exhibit E – Current and Former Franchisees
- Exhibit F – State Specific Addenda to Franchise Disclosure Document and Franchise Agreement
- Exhibit G – Form of General Release

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____
(Signature)

By: _____
(Print Name)

(Print Name, Title)

[Keep these pages for your records.]

RECEIPT

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New York requires us to provide you the disclosure document at the earlier of the first personal meeting or ten (10) business 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.

If Elite 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 any applicable state agency. (Please see Exhibit D for a list of state agencies.) Exhibit B contains a list of our agents for service of process.

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Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual:

(Name of Entity)

(Signature)

By: _____
(Signature)

By: _____
(Print Name)

(Print Name, Title)

[Sign and return these pages to us.]