

FRANCHISE DISCLOSURE DOCUMENT

Freshii Development, LLC
a Delaware limited liability company
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The franchise is to develop and operate restaurants offering healthy meals such as salads, soups, bowls, wraps, burritos, frozen yogurt, healthy portable snacks, smoothies and other beverages.

The total investment necessary to begin operation of a Freshii Restaurant franchise is \$172,500 to \$641,000. This includes \$41,500 to \$43,000 that must be paid to the franchisor or affiliate.

The total investment necessary to develop five Freshii restaurants under an Area Development Agreement is \$244,500 to \$700,500. This includes \$101,500 to \$103,000 that must be paid to the Franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shawn Saraga, our VP of Development, at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 and +1 (416) 712-5526.

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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G and H.
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 E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Freshii business in my area?	Item 12 and the "territory" provisions in the franchise agreement, multi-unit site selection agreement and area development agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Freshii franchisee?	Item 20 or Exhibits G and H 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.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

- 1) **Out-of-State Dispute Resolution.** The franchise agreement, multi-unit site selection agreement and area development agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in the Province of Ontario, Canada. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in the Province of Ontario, Canada, than in your own state.
- 2) **Turnover Rate.** During the last 3 years, a large number of franchised outlets (76) were terminated or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
- 3) **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

The franchisor is Freshii Development, LLC (“we,” “us,” or “our”). “You” means the company to whom we grant a franchise or development rights. We do not expect that people will sign our Area Development Agreement (Exhibit B) or Franchise Agreement (Exhibit C) in their individual capacities.

We are a limited liability company organized in Delaware in February 2008. Our principal business address is 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606. We conduct business under our company name “Freshii” and the trademarks described in Item 13 and no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit A. We do not currently operate any Freshii Restaurants. We have offered franchises for Freshii Restaurants since March 2008. We have no other business activities and have not offered franchises in other lines of business.

Our Parents, Predecessors and Affiliates

Our parent company is Freshii Inc., an Ontario corporation headquartered at 1027 Yonge Street, Toronto, Ontario M4W 2K9 Canada (“Parent”). Our Parent does not own or operate a business of the type being franchised. Our Parent is not an approved supplier of any product or service that you must purchase or lease.

We have a second parent, Foodtastic, Inc. (“Foodtastic”), a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Foodtastic is the sole shareholder of Freshii Inc. In February 2023, Foodtastic Inc. acquired all of the shares of Freshii, Inc., thereby acquiring a controlling interest in the Franchisor, which is wholly owned by Freshii, Inc. Foodtastic is an international, multi-brand restaurant company founded in 2016. Foodtastic brands listed below are operated pursuant to networks of franchised and company-owned restaurants owned and administered by Franchisor’s affiliates under the “Copper Branch”, “Pita Pit”, “Second Cup”, “Tommy Café”, “Au Coq”, “La Belle et La Boeuf”, “Monza”, “Carlos & Pepe’s”, “Souvlaki Bar”, “Nickels”, “Rotisseries Benny”, “Chocolato”, “Big Rig”, “Bacaro”, “Shoeless Joe’s”, “Fusée”, “GattoMatto”, “La Chambre”, “L’Gros Luxe”, “Loo Koo”, “Fionn MacCool’s”, “D’Arcy McGee’s”, “Paddy Flaherty”, “Tir nan Og”, “Quesada”, and “Le Blossom” Marks. Unless otherwise stated, all Foodtastic’s subsidiaries share Foodtastic’s principal business address. Except as described below, none of Foodtastic’s subsidiaries have ever operated or offered franchises for Freshii restaurants or offered franchises in any other line of business.

We have an affiliate, Lettuce Eatery Development Inc. (“Lettuce Eatery Canada”) which is headquartered at 1027 Yonge Street, Toronto, Ontario Canada M4W 2K9. Lettuce Eatery Canada has offered Freshii franchises and previously Lettuce Eatery Restaurant franchises in Canada since March 2008. Freshii Restaurants in Canada are similar to Freshii Restaurants in the United States in that they also offer a variety of healthy meals like salads, soups, salad-wraps, frozen yogurt and healthy packaged snacks and beverages. Lettuce Eatery Canada has not offered franchises in any other line of business in the United States.

We have a second affiliate, Freshii Canada Ltd. (“Freshii Canada”), which is headquartered at 1027 Yonge Street, Toronto, Ontario Canada M4W 2K9. Although it is not currently, Freshii Canada may become a required supplier for certain consumer packaged goods that you will be required to purchase for the operation of your Freshii Restaurant. Freshii Canada has not offered franchises in this or any other line of business previously.

Our affiliate, Foodtastic Franchises, Inc. (“Foodtastic Franchises”), is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Foodtastic Franchises is wholly owned by our parent, Foodtastic, Inc. Foodtastic Franchises offers franchises under

the “Rôtisseries Au Coq”, “Bacaro Pizzeria”, “Rôtisseries Benny”, “Big Rig”, “Copper Branch” (Canada), “Carlos & Pepe’s”, “Rôtisseries Fusée”, “Gatto Matto”, “La Belle & La Bœuf”, “L’Gros Luxe”, “Nickels”, “Enoteca Monza” “Pizzeria Monderna”, “Pok Pok”, “Pita Pit”, “La Slice”, and “Tommy Café” Marks. Foodtastic Franchises does not and has not offered Freshii franchises previously.

Our affiliate, Foodtastic USA, Inc. (“Foodtastic USA”), is a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Foodtastic USA is wholly owned by our parent, Foodtastic, Inc. Foodtastic USA offers franchises under the “Copper Branch” (USA), and “Quesada” Marks. Foodtastic USA does not and has not offered Freshii franchises previously.

Our affiliate, Red Blossom Restaurants, Inc. (“Red Blossom Restaurants”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Red Blossom Restaurants is wholly owned by our parent, Foodtastic, Inc. Red Blossom Restaurants offers franchises under the “Le Blossom” Marks. Red Blossom Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, 9295-8175 Quebec, Inc. (“9295-8175 Quebec”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. 9295-8175 Quebec offers franchises under the “Chocolato” Marks. 9295-8175 Quebec does not and has not offered Freshii franchises previously.

Our affiliate, La Chambre Restaurants, Inc. (“La Chambre Restaurants”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. La Chambre Restaurants offers franchises under the “La Chambre” Marks. La Chambre Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, Milestones Restaurants, LTD. (“Milestones Restaurants”), is a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Milestones Restaurants offers franchises under the “Milestones” Marks. Milestones Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, 13482359 Canada, Inc. (“13482359 Canada”), is a Canadian corporation with its principal business address at 9300 trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. 13482359 Canada offers franchises under the “Fion MacCools,” “Darcy McGee’s,” “Paddy Flaherty’s,” and “TIR NON OG” Marks. 13482539 Canada does not and has not offered Freshii franchises previously.

Our affiliate, Quesada Franchising of Canada Corp. (“Quesada Franchising of Canada”), is an Ontario corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Quesada Franchising of Canada offers franchises under the “Quesada” (Canada) Marks. Quesada Franchising of Canada does not and has not offered Freshii franchises previously.

Our affiliate, Rotisserie De Joliette, Inc. (“Rotisserie De Joliette”), is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Rotisserie De Joliette offers franchises under the “Rôtisserie Joliette” Marks. Rotisserie De Joliette does not and has not offered Freshii franchises previously.

Our affiliate, SC Coffee Canada, Inc. (“SC Coffee Canada”), is a Canadian corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. SC Coffee Canada offers franchises under the “Second Cup” Marks. SC Coffee Canada does not and has not offered Freshii franchises previously.

Our affiliate, Shoeless Joes LTD. (“Shoeless Joes”), is an Ontario corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Shoeless Joes offers franchises under the “Shoeless Joe’s” Marks. Shoeless Joes does not and has not offered Freshii Franchises previously.

Our affiliate, Souvlaki Bar Franchises, Inc. (“Souvlaki Bar Franchises”), is a Quebec corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Souvlaki Bar Franchises offers franchises under the “Souvlaki Bar” Marks. Souvlaki Bar Franchises does not and has not offered Freshii franchises previously.

Neither we, nor our affiliates, operate any Freshii restaurants in the United States.

Franchise Agreement

We grant franchises for restaurants identified by the Marks (defined below) offering for general consumption a wide variety of healthy meals such as salads, soups, bowls, wraps, burritos, frozen yogurt, healthy portable snacks, smoothies and other beverages. In this disclosure document we call these restaurants “Freshii Restaurants” and we call the Freshii Restaurant that you will operate under the Franchise Agreement the “Restaurant.” Freshii Restaurants operate under the trademarks, service marks and other commercial symbols that we periodically designate, including “Freshii™” (collectively, the “Marks”). Freshii Restaurants operate under our mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for operating a Freshii Restaurant (collectively, “System Standards”).

Area Development Agreement

We also grant qualified individuals the right to enter into an Area Development Agreement. These prospects will sign the Area Development Agreement under which they will develop a specified number of Freshii Restaurants within a defined geographic area (the “Development Area”) according to a mandatory development schedule (the “Schedule”). You must typically commit to develop a minimum of five restaurants to enter into an Area Development Agreement. We will determine the Development Area before you sign the Area Development Agreement and it will be included in the Area Development Agreement. Under the Area Development Agreement, you must establish a certain number of Freshii Restaurants within the Development Area according to a minimum performance schedule, and sign a separate Franchise Agreement for each Restaurant established under the Area Development Agreement. We expect to sign Franchise Agreements that are not covered by an Area Development Agreement only in rare situations.

The Franchise Agreement for the first Restaurant developed under the Area Development Agreement will be in the form attached as Exhibit B to this Disclosure Document, and we expect that this Franchise Agreement for your first Restaurant will be signed at the same time as the Area Development Agreement. For each additional Restaurant developed under the Area Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, but the Royalty Fee, Marketing Fee and other continuing fees will be the same as for your first Restaurant. The size of the Development Area will vary depending upon local market conditions and the number of Restaurants to be developed. You may not open a Restaurant for business until a fully executed Franchise Agreement is in place for that Restaurant, all your pre-opening obligations have been completed, and the initial franchise fee has been fully paid.

The person or entity signing the Area Development Agreement is referred to as the “Area Developer”. The Area Development Agreement contains concepts similar to the Franchise Agreement involving the “Area Developer’s Principals.”

Multi-Unit Site Selection Agreement

We also grant qualified individuals the right to enter into a Multi-Unit Site Selection Agreement. The Multi-Unit Site Selection Agreement authorizes you to put forward site suggestions in a defined area (the “Site Selection Area” for the number of Restaurants indicated in a minimum performance schedule (the “Minimum Performance Schedule”). You must typically commit to develop a minimum of five sites to enter into a Multi-Unit Site Selection Agreement. Each such site, subject to approval by us, will be established and operated pursuant to a separate Franchise Agreement. The Multi-Unit Site Selection Agreement does not itself include the grant of any license to you or the grant of any rights to use the Marks, the System or the right to open or operate any Restaurant(s). You will only obtain such rights at each Restaurant upon the execution of each Franchise Agreement and only in accordance with the terms thereof, which may differ from the Franchise Agreement included with this Disclosure Document.

Market and Competition

Your Restaurant will provide products and services to the general public throughout the year and compete with restaurants, grocery stores, gas station and convenience stores offering healthy foods and snacks. The market for a Freshii Restaurant’s products and services generally is well developed and growing to reach the increasing number of health-conscious consumers. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. In some markets, you may also encounter competition from Freshii Restaurants that we, or our affiliates and/or other franchisees own and operate. You may also compete with new and existing concepts that Franchisor and/or its affiliates may develop or currently operate.

Industry Regulations

The restaurant industry is heavily regulated. A variety of Federal, state and local laws, rules, and regulations have been enacted that may impact the operation of your Restaurant, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Restaurant’s premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and I regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. Due to the Covid-19 pandemic, orders enacted by Federal, state and local governments may affect the operation of your Restaurant. You should investigate whether there are regulations, requirements and orders that may apply in the geographic area in which you are interested in locating your Restaurant and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone,

carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

At all times during the operation of your Freshii restaurant, you must obtain the necessary ServSafe Food Handler certification(s), or other state-required food handler's certification and comply with all laws and regulations for proper food storage, preparation and service.

Item 2 **BUSINESS EXPERIENCE**

Executive Chairman: Matthew Corrin

Mr. Corrin has been our Executive Chairman since May 2022. He served as our chief executive officer from 2008 to 2022 and the President of Freshii ONE, LLC, our affiliate, in Chicago, Illinois since June 2007. He also is the founder and has been the CEO of Freshii Inc. in Toronto, Ontario, Canada since June 2004.

Chief Executive Officer & Director: Peter Mammias

Mr. Mammias has been our Chief Executive Officer since February 2023. He is also the President, Secretary and Director of Foodtastic Inc., our parent company, and has been since its formation in 2015. Mr. Mammias is also an officer and director in a number of our affiliates.

Vice President Brands – Foodtastic, Inc.: Terry Faulconbridge

Mr. Faulconbridge is not a director, general partner or officer of the Franchisor. Mr. Faulconbridge is the Vice-President Brands at Foodtastic. In this capacity, Mr. Faulconbridge is involved in the franchise and development activities of the Franchisor. Mr. Faulconbridge served as Vice-President Brands at Foodtastic Franchises, Inc. from April 2021 to February 2023. Prior to that, he served as Senior Director at Olayan Food Services in Riyadh, Saudi Arabia from January 2018 to April 2021.

Vice President of Development – Freshii, Inc.: Shawn Saraga

Mr. Saraga is not a director, general partner or officer of the Franchisor. Mr. Saraga is the Vice President of Development of Freshii, Inc. and has held this position since May 2022. In that capacity, Mr. Saraga is involved in the franchise sales and development activity of the Franchisor. Mr. Saraga has been involved in franchising for over 17 years.

Item 3

LITIGATION

A notice of request to arbitrate in the ADR Institute of Canada, and a statement of claim associated therewith, was served on Lettuce Eatery Canada, our affiliate, on or around March 31, 2021, by former franchisee, 2512549 Ontario Inc. The claimant alleged breach of contract by franchisor and franchisor's obligations related to the franchisee's requested territory. Lettuce Eatery Canada strongly denied the allegations and vigorously defended the claims. On February 10, 2022, the parties resolved the above matter by entering into a confidential settlement agreement, without liability or any admission of wrongdoing on the part of Lettuce Eatery Canada.

Kore Meals, LLC v. Freshii Development, LLC and Freshii, Inc., American Arbitration Association, No. 01-21-0016-1277 (Chicago, Illinois). Claimant, a former development agent and franchisee, filed a statement of claim against respondents on January 31, 2022 alleging breach of contract and breach of the duty of good faith and fair dealing in the context of a now-terminated Development Agent Agreement. On February 6, 2023, the parties resolved the above matter by entering into a mutual release of claims without liability or any admission of wrongdoing on the part of Freshii Development, LLC or Freshii, Inc.

Litigation Against Franchisees in the Last Fiscal Year

During fiscal year 2022, Freshii Development, LLC did not initiate any claims against franchisees.

Other than the foregoing, no litigation information 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 FEES

Area Development Agreement

If you sign the Area Development Agreement, you must pay us a "Development Fee" when you sign that Agreement. You must sign the Franchise Agreement for the first Restaurant at the same time you sign the Area Development Agreement. The Development Fee is calculated based on the total number of Restaurants you commit to develop under the Area Development Agreement. You must typically commit to develop a minimum of five restaurants to enter into an Area Development Agreement. The Development Fee will be equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional Restaurant to be developed. We will charge an initial franchise fee of \$30,000 for each Freshii Restaurant. For example, if you commit to develop five Restaurants, the Development Fee is calculated as $\$30,000 + (4 \times \$15,000 = \$60,000) = \$90,000$. The Development Fee is non-refundable, but we will apply \$15,000 of the Development Fee towards the initial franchise fee owed for the second and each additional franchise agreement that the Area Development Agreement covers.

Franchise Agreement

You must pay us a \$30,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. The initial franchise fee is not refundable. If you or your affiliate signed an Area Development Agreement covering this franchise and this is not the first Freshii Restaurant to be developed under such Area Development Agreement, we will apply \$15,000 of the Development Fee towards the initial franchise fee. We generally recognize \$15,000 of the Franchisee Fee as we complete pre-opening services (which include (i) real estate assistance and site selection support, (ii) design, construction and build out support, and (iii) pre-opening training support). The remaining \$15,000 of the initial franchise fee relating to accessing the Freshii license is amortized over the term of the Franchise Agreement (10 years).

Multi-Unit Site Selection Agreement

If you sign the Multi-Unit Site Selection Agreement, you must pay us an “Initial Multi-Unit Site Selection Fee” when you sign the Multi-Unit Site Selection Fee. The Initial Multi-Unit Site Selection Fee is calculated based on the total number of Restaurants you agree to develop under the Multi-Unit Site Selection Agreement. The Initial Multi-Unit Site Selection Fee will be equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus 50% of the initial franchise fee for each additional Restaurant to be developed. We will charge an initial franchise fee of \$30,000 for each Freshii Restaurant. The Initial Multi-Unit Site Selection Fee is non-refundable, but we will apply \$15,000 of the Initial Multi-Unit Site Selection Fee toward the initial franchise fee owed for the second and each additional franchise agreement that the Multi-Unit Site Selection Agreement covers. You will not need to sign a Franchise Agreement in conjunction with the Multi-Unit Site Selection Agreement.

Marketing Deposit

When you execute the lease for the Freshii Restaurant, you must pay to us a marketing deposit in the amount of \$10,000 (the “Marketing Deposit”) and execute our Marketing Deposit Agreement, which is attached to the Franchise Agreement as Exhibit. Provided a grand opening is conducted in accordance with the Franchise Agreement, we will choose to either (a) pay, on your behalf, approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, or (b) credit you for the amounts paid to approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, provided that you provide us with copies of the paid invoices and other documentation we reasonably request to show the applicable amounts.

Training Fees

Prior to attending the initial management training program, you must pay us a training fee for initial training and opening assistance we provide. The training fee ranges from \$1,500 to \$3,000. The duration and fee structure may vary depending on the location of your Freshii Restaurant and your experience, but is typically \$500 per person, per week. We will determine the number of people who need to attend based on an assessment of the individuals operating the Freshii Restaurant.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens.

Item 6
OTHER FEES

Column 1 Type of fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty	6% of Gross Sales	Due weekly on day we specify (the "Payment Day")	Based on Gross Sales during previous week. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See Note 2
Marketing Fund Contributions	Amount we specify, up to 3% of Gross Sales Currently 1.5% of Gross Sales (may be changed in our discretion, subject to Franchise Agreement).	Due monthly on Payment Day	See Item 11 for a detailed discussion about the Marketing Fund.
Local Marketing	1.5% of Gross Sales	Must be spent each month	Payable directly to your local marketing vendors. Any marketing that you propose to use must first be approved by us
Successor Franchise Fee	Our then current standard initial franchise fee	When you acquire successor franchise	
Transfer	\$10,000	Upon transfer	Due only upon transfer of agreement or controlling ownership interest in you
Ongoing Training And Special Assistance	Currently \$500 per person, per week plus out-of-pocket costs and expenses, but could increase if our costs increase	As incurred	We may charge you for supplemental training courses, programs and conventions we provide and for additional or special assistance or training you need or request
New Product/Supplier Testing	Our good faith estimate of evaluation costs	When billed	Covers costs of testing new products or inspecting new suppliers you propose
Insurance	Premiums and our costs and expenses	When billed	Due only if you fail to maintain insurance and we (at our option) obtain insurance on your behalf
Relocation	Reasonable costs we incur	As incurred	Due only if you ask to relocate the Restaurant

Health and Safety Audit	Cost of audit	As incurred	Due if you fail a health and safety audit we or our third-party provider conducts at your Restaurant
Other Audit	Cost of inspection or audit	As incurred	Due only if you fail to report or understate by 2% or more
Late Payment Fee	1.5% of overdue amount(s) per month	15 days after billing	Due on all overdue amounts more than 7 days late
Management Fee	10% of Gross Sales ⁽²⁾ while we manage Restaurant plus direct out-of-pocket costs and expenses	As incurred	Due only if we or our designee manages Restaurant after your (or your managing owner's) death or disability, after your default or abandonment, or after termination
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due only if we incur costs to enforce our legal rights
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Restaurant's operation or your business or breach of agreement
Liquidated Damages	Will vary under the circumstances	15 days after termination	See note 3
Technology Fees	OLO Activation Fee: \$250 per location OLO App Ordering Fee: Pickup: \$0.12 per pickup transaction Delivery Fee \$0.48 per transaction OLO App Fixed Fee: \$43.65 HQ Pinnacle Subsidy: \$47 Order House Loyalty Program: \$51.52	One time, prior to activation of service Monthly Monthly Monthly Monthly Monthly	Payable to us, subsequently remitted by us to the provider. Delivery fee is charged by Order House.
Restaurant365 Inventory Management Platform	Initial set up fee of \$50 and monthly platform fee \$55	Bi-Annually	Payable directly to vendor.

Food Safety Restaurant Inspection	\$197	Quarterly if the approved supplier determines that your Restaurant fails the inspection and we (or the approved supplier) determine that a re-audit is required.	You will reimburse us the amount. Amounts may also be payable in the event that more than one audit per quarter is determined by us (or the approved supplier) to be necessary.
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- (1) Except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are non-refundable and currently are uniformly imposed.
- (2) “Gross Sales” means all revenue from sales conducted upon or from the Restaurant, whether from check, cash, credit, charge account, debit account, exchange, trade credit, other credit transactions, barter or otherwise, including any implied or imputed Gross Sales from any business interruption insurance and all revenue from providing Catering Service and Delivery Service, and including all sales placed through online, mobile application and remote ordering platforms. However, Gross Sales exclude: (a) sales for which you refund cash, if you previously included those sales in Gross Sales; (b) federal, state, or municipal sales, use or service taxes you collect from customers and pay to the appropriate taxing authority; and (c) the face value of coupons or discounts that customers redeem. We treat each charge or sale upon credit as a sale for the full price on the day during which that charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. We include amounts customers pay by gift certificate, gift card or similar program in Gross Sales when the gift certificate, other instrument or applicable credit is redeemed.

You must sign and deliver to us the documents that we periodically require to authorize us to debit your business checking account automatically for the Royalty, Order House Loyalty fees, HQ Pinnacle fees and other amounts due under the Franchise Agreement or any related agreement between us (or our affiliates) and you. If we institute an automatic debit program for the Restaurant, we will debit your account for the Royalty and other amounts on or after the Payment Day, based on the Gross Sales for the previous week, and in the case of technology related fee, we will debit your account monthly. You must make the funds available for withdrawal by electronic transfer before each due date. In our automatic debit program, we may require you to procure, at your expense, overdraft protection for your business checking account in an amount that we specify. You must reimburse us for any “insufficient funds” charges and related expenses that we incur for (a) any checks that we receive from you or (b) your failure to maintain sufficient funds in your automatic debit account.

If you fail to report the Restaurant’s Gross Sales for any week, we may debit your account for 120% of the Royalty that we debited for the previous week. If the amount we debit from your account is less than the amount you actually owe us for the week (once we have determined the true and correct Gross Sales of the Restaurant for the week), we will debit your account for the balance due on the day that we specify. If the amount we debit from your account is greater than the amount you actually owe us for the week (once we have determined the true and correct Gross Sales of the Restaurant for the week), we will credit the excess, without interest, against the amount that we otherwise would debit from your account during the following week.

We have the right, at our sole option upon notice to you, to change periodically the timing and terms for payment of Royalties, Order House Loyalty fees, HQ Pinnacle fees and other amounts

payable to us under the Franchise Agreement. For example, we may change the frequency at which we calculate payments to bi-weekly or monthly.

- (3) If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT ONE FRESHII RESTAURANT				
Column 1 Type of expenditure	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee (1)	\$30,000	Installments if you sign Area Development Agreement, otherwise lump sum	See Item 5	Us
Travel & Living Expenses While Training (2)	\$10,000 to \$25,000	As agreed	As incurred	Third parties
Marketing Deposit For Grand Opening	\$10,000	Lump sum	When the lease for the Restaurant is signed	Us
Real Estate/3 Months' Rent (3)	\$10,000 to \$30,000	Installments	Typically monthly	Landlord
Security Deposit (3)	\$0 to \$15,000	Lump sum	Typically when lease signed	Landlord
Construction, Remodeling, Leasehold Improvements And Decorating Costs(4)	\$50,000 to \$300,000	As agreed	As incurred	Contractors/Interior Designer and other suppliers
Design Firm Fees(5)	\$3,500 to \$5,000	As agreed	Prior to work start	Designated service provider
Furniture, Fixtures, Other Fixed Assets And Equipment (6)	\$30,000 to \$100,000	As agreed	As incurred	Approved vendors
Signage (Interior And Exterior)	\$3,000 to \$15,000	As agreed	As incurred	Approved vendors

Opening Inventory And Supplies	\$5,000 to \$10,000	As agreed	As incurred	Third parties
Insurance	\$5,000 to \$15,000	As agreed	As incurred	Insurance company
Licenses And Permits	\$1,000 to \$3,000	As incurred	Typically lump sum	Government agencies and contractors
Miscellaneous Opening Costs (7)	\$0 to \$10,000	As incurred	As incurred	Third parties
Professional Fees	\$3,500 to \$10,000	As incurred	As incurred	Attorneys, accountants, architects, etc.
Initial Training Fee and opening assistance	\$1,500 to \$3,000	As agreed	Prior to attending training	Us
Additional Funds – 3 Months (8)	\$10,000 to \$60,000	As incurred	As incurred	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT	\$172,500 to \$641,000			

Except for the lease security deposit which typically is refundable if you comply with the lease during its term, none of these expenditures is refundable. We do not finance any portion of your initial investment.

Explanatory Notes:

1. We describe the initial franchise fee in Item 5.
2. We describe training in Item 11. This figure estimates your and your personnel's costs and expenses for training if neither you nor your affiliates operate a Certified Training Restaurant and the entire initial training program is facilitated at a Coach Store (as defined below). It includes costs for the Operating Partner (under the Area Development Agreement) to attend training.
3. A standard Freshii Restaurant occupies approximately 500 to 1,500 square feet of space. The typical location for a Freshii Restaurant is in an inline footprint in an urban setting with high vertical density that is focused on attracting office workers and professionals. Rent depends on geographic location, size, local rental rates, other businesses in the area, site profile, and other factors and could be higher in large metropolitan areas. This estimate contemplates a security deposit equal to one month's rent. A landlord might require you to pay a lease security deposit that is more than one month's rent. We anticipate that you will rent the Restaurant's location. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Restaurant already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables affecting the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Restaurant.

4. The estimate is to improve a 1,000 square foot property and includes the costs of general contractors and licensed tradesmen to install electrical and plumbing fixtures. Your costs might be more or less than this estimate depending on where you plan to operate your Restaurant. Leasehold improvement costs – including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry and similar work, and contractor’s fees – depend on the site’s condition, location, and size; the demand for the site among prospective lessees; the site’s previous use; the build-out required to conform the site for your Restaurant; and any construction or other allowances the landlord grants. We have internal resources that will assist with the interior design of the Restaurant.

5. Includes layout design, including plans for partitions, equipment placement, ceiling tiles and lights, floor tiles, decor, and furniture placement. Does not include, among other things, engineered drawings for plumbing, mechanical and electrical, any architect’s plans or any other drawings required to obtain permits or otherwise comply with federal, state or local laws, codes or regulations.

6. This includes items like the serving line, refrigerators, tables, chairs, the components for the Computer System, digital menu boards, small wares and office supplies.

7. This includes costs for utility deposits and other organizational and pre-paid expenses.

8. We have relied on our experience and our affiliate’s experience in franchising Freshii Restaurants in the USA and Canada since March 2008 to compile these estimates. This estimates the funds needed to cover your initial expenses for the first 3 months of operation (other than the items identified separately in the table). It includes payroll costs but not any draw or salary for your owners. This is only an estimate, and you might need additional working capital during the first 3 months you operate your Restaurant and for a longer time period after that. This 3-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even.

YOUR ESTIMATED INITIAL INVESTMENT AREA DEVELOPMENT AGREEMENT OR MULTI-UNIT SITE SELECTION AGREEMENT FOR FIVE RESTAURANTS				
Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When Due	Column 5 To Whom Payment is to be Made
Development Fee/Initial Multi-Unit Site Selection Fee (for five Restaurants) (1)	\$100,000 (\$90,000 initial fee + \$10,00 marketing)	Lump Sum	When Area Development Agreement or Multi-Unit Site Selection Agreement is Signed	Us
Vehicle – 3 Months (2)	\$2,000 to \$2,500	As incurred	As arranged	Third Parties
Other Expenditures for first Restaurant (3)	\$142,500 to \$598,000	As Disclosed in First Table	As Disclosed in First Table	As Disclosed in First Table
Total	\$244,500 to \$700,500			

1. ***Development Fee/Initial Multi-Unit Site Selection Fee.*** We describe the development fee and initial multi-unit site selection fee in Item 5.
2. ***Vehicle.*** We expect that you will need a vehicle to view potential sites, oversee the build-outs, supervise multiple locations, etc. Our estimate includes expenses related to loan or lease payments, gas and maintenance for three months.
3. ***Other Expenditures for first Restaurant.*** An Area Developer or Multi-Unit Site Selection franchisee is expected to incur these same costs for each Freshii Restaurant it develops, subject to inflation and other increases over time. If you are an Area Developer or Multi-Unit Site Selection franchisee, your professional fees (such as legal and financial) will probably be higher.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may be required use the Freshii customer experience platform as part of your Computer System. We are currently the only approved supplier of the customer experience platform. Other than the customer experience platform, neither we nor any of our affiliates currently is an approved supplier of any products or services that you will purchase or lease to establish or operate your Restaurant, although we or our affiliate(s) may become an approved or required supplier in the future. You currently must buy all of the furniture, fixtures, foodservice equipment, food items, beverages, printed marketing materials and uniforms, digital menu boards, construction materials and software, for the Restaurant only from suppliers that we designate or approve. None of our officers owns any interest in any approved supplier to the franchise system.

You must purchase the Oracle point of sale system, Eigen for your transactional terminals (used for credit, debit, and gift card transactions), the First Pay payment processing program, Pinnacle IP Solutions for your Internet service, phone service, fax service, security software and their software support service, and UR Channel for your digital menu board. You must purchase these software systems and programs from their respective manufacturers. Kill the 8 is the designated supplier that you must use to order your ongoing inventory of staff and management uniforms. Stingray is our designated music provider. You must use Restaurant365, our designated inventory management platform, for your food cost management. You must also use our designated printing supplier. In order to utilize the online ordering capabilities of the Freshii mobile app and website, you must subscribe to certain technology providers that contribute to back-end functionality. You must purchase the OLO menu management and ordering system, the Order House loyalty platform, which includes loyalty offers, rewards and campaigns that are offered through our mobile applicable or website. You must also subscribe to Maegan systems, which is primarily used for menu management.

You are required to adequately insure your Restaurant. While we do not currently specify the types and amounts of insurance coverage that you are required to obtain and maintain, we reserve the right to do so in the future. We currently strongly recommend that you carry, at a minimum, commercial general liability insurance of not less than \$5,000,000; tenant legal liability insurance coverage of at least \$500,000; business interruption coverage with a 12 month indemnity period in an amount sufficient to reimburse you for loss of earnings; all-risk property insurance for all owned property including stock, equipment, betterments and improvements on a replacement cost basis; broad form boiler and machinery coverage for the complete value of property; and earthquake, flood and sewer back-up coverage. The foregoing is not an opinion, warranty, representation, or advice as to the adequacy of such coverage, and it is your responsibility to ensure you have the proper insurance for the Restaurant. In the event we determine, in our discretion, that your Restaurant is underinsured, we may require that you increase your coverage types and/or amounts.

Before using a vendor that is not approved, you must send us, for our approval, samples of all advertising, promotional and marketing materials for the Restaurant that we have not prepared or previously approved within the last 6 months. If you do not receive written notice of disapproval from us within 15 days after we receive the materials, they are deemed approved. You may not use any advertising, promotional or marketing materials that we have disapproved. You also must implement a grand opening marketing program according to our requirements.

You must send us for our approval any lease or sublease for the Restaurant's site before you sign it. The lease must contain the terms and provisions that are reasonably acceptable to us. You may not relocate the Restaurant without our approval.

You are responsible for developing the Restaurant at your expense. It is your responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to make sure that they comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions, and to complete the development of the Restaurant, within the timelines provided by us. We may provide a list or other indication of approved service providers for developing the Restaurant that you must select your service providers from. We may also provide a list or other indication of required service providers for developing the Restaurant, including, if we so choose, our project management services or designated design firm, which you must use at expense (our or our designee's then-current fee for the applicable services). You must submit all construction and remodeling plans and specifications to us for our approval before beginning build-out for the Restaurant and all revised or "as built" plans and specifications during construction and development. Our review is limited to ensuring your compliance with design requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with those laws are your responsibility.

At our option, we may periodically (up to twice during the Franchise Agreement's term) require you to substantially alter the Restaurant's appearance, branding, layout and/or design, and/or replace a material portion of the Operating Assets (defined below), to meet our then current requirements for new Freshii Restaurants. You must incur any necessary costs. Within 60 days after receiving written notice from us, you must have plans prepared according to our standards and specifications and, if we require, using architects and contractors that we designate or approve. We have internal resources that will assist with the interior design of the Restaurant. You must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify.

Other than as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you must buy or lease from us (or our affiliate). In the future, we may designate products and services that you must buy only from us or our affiliates at the prices that we or they decide to charge.

To maintain the quality of the products and services that Freshii Restaurants offer and sell and our franchise network's reputation, all furniture, fixtures, equipment (including components for the Computer System), vehicles, small wares, digital menu boards and signs that we periodically require for the Restaurant and the business you operate under the Franchise Agreement (collectively, "Operating Assets") and other products and services that your Restaurant uses or sells (besides those described above that you currently may obtain only from approved suppliers) must meet our minimum standards and specifications. We issue and modify standards and specifications based on our and our affiliates' experience in developing and operating Freshii Restaurants and Lettuce Eatery Restaurants. Standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance.

Our confidential operations manual or other communications will identify our standards and specifications for you and, where appropriate, you may provide those standards and specifications to suppliers.

If you want to use any products or services for or at the Restaurant that we have not yet evaluated or purchase any product or service from a supplier that we have not yet approved (for products and services that we require you to purchase only from designated or approved suppliers), you first must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications or the supplier meets our criteria. We may charge you our evaluation costs and will decide within a reasonable time (no more than 30 days). We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and/or other criteria. We may inspect the proposed supplier's facilities and require the proposed supplier to deliver product samples or items, at our option, either directly to us or to any third party we designate for testing. We may periodically re-inspect any approved supplier's facilities and products and revoke our approval of any supplier, product or service that does not continue to meet our criteria by notifying you and/or the supplier. Despite these procedures, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated an exclusive source (which in the future might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Freshii Restaurant network. We are not required to make available to you or to any supplier our criteria for product or supplier approval that we deem confidential.

We and/or our affiliates may derive revenue or other material consideration based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you in the future and from promotional allowances, volume discounts and other payments that designated, approved or recommended suppliers make to us and our affiliates (collectively "Allowances"). We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes that we and our affiliates deem appropriate. Collectively, the purchases and leases that you must make from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent about 100% of your overall purchases and leases in establishing and operating the Restaurant. Neither we nor our affiliates or Parent have sold or leased products or services directly to franchisees (and therefore, have derived no revenue from these activities), however, we may centralize certain bills in respect of payments that are to be made to third party service providers. For the fiscal year ended December 26, 2021, we didn't earn any rebates, but our Parent earned rebates in the amount of \$335,183, or 8% of their total revenues of \$4,247,744 on account of franchisee purchases of required and approved items from those suppliers.

There are no purchasing or distribution cooperatives related to Freshii franchises. We have negotiated purchase arrangements with suppliers (including price terms) for some items and services. In doing so, we seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

The Area Development Agreement and Multi-Unit Site Selection Agreement do not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your business under the Area Development Agreement or Multi-Unit Site Selection Agreement. However, you must give us information and materials we request concerning each site and Controlled Affiliate for a Freshii Restaurant so that we

can assess that site and Controlled Affiliate, which are subject to our approval. We also have the right to approve your Management Personnel.

Item 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Sections 2A, 2B and 2G and Exhibit C of Franchise Agreement; Section 5B of Area Development Agreement Section 3.1 of Multi-Unit Site Selection Agreement	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Sections 2C to 2E, 5A, 5E and 5G of Franchise Agreement	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 2C to 2F, 4A to 4C, 5A, 5D, 5E, 5G, 5H and 7A of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Sections 4A to 4E of Franchise Agreement; Section 6 of Area Development Agreement	Items 6, 7, and 11
e. Opening	Section 2F of Franchise Agreement	Item 11
f. Fees	Sections 2D, 2E, 2G, 4D, 4G, 5E, 5G, 6, 7A, 7B, 9B, 13D, 14, 15C, 16A, 17D and 18C of Franchise Agreement; Sections 4, 6D, 7B, 7C, 11D, 14D and 15C and Exhibit A of Area Development Agreement Section 2 of Multi-Unit Site Selection Agreement	Items 5, 6, 7, 8, and 11
g. Compliance with standards and policies/operating manual	Sections 2C, 4G and 5 of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 10 and 11 and Exhibit D of Franchise Agreement; Sections 8 and 9 and Exhibit D of Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 5B, 5C and 5H of Franchise Agreement	Items 11, 12, and 16
j. Warranty and customer service requirements	Section 5H of Franchise Agreement	Not applicable
k. Territorial development and sales quotas	Section 5 and Exhibit A of Area Development Agreement	Item 12

	Sections 1.2.4 and 3.2 and Exhibit A of Multi-Unit Site Selection Agreement	
l. On-going product/service purchases	Sections 2D, 2E, 5E and 5H of Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 2C, 5A and 5H of Franchise Agreement	Items 8, 11, 16, and 17
n. Insurance	Section 5G of Franchise Agreement	Items 6 and 7
o. Advertising	Section 7 of Franchise Agreement	Items 5, 6, 7, 8, and 11
p. Indemnification	Section 17D of Franchise Agreement; Section 14D of Area Development Agreement	Item 6
q. Owner's participation/management/staffing	Sections 1C, 1D, 4A to 4D, 5D and 5H of Franchise Agreement; Sections 1E, 7B and 7C of Area Development Agreement	Items 11 and 15
r. Records and reports	Section 8 of Franchise Agreement; Section 7D of Area Development Agreement	Not applicable
s. Inspections and audits	Section 9 of Franchise Agreement	Item 6
t. Transfer	Section 13 of Franchise Agreement; Section 11 of Area Development Agreement Section 6 of Multi-Unit Site Selection Agreement	Items 6 and 17
u. Renewal	Section 14 of Franchise Agreement; Section 2 of Area Development Agreement	Items 6 and 17
v. Post-termination obligations	Section 16 of Franchise Agreement; Section 13 of Area Development Agreement Section 5.3 of Multi-Unit Site Selection Agreement	Item 17
w. Non-competition covenants	Sections 12 and 16D of Franchise Agreement; Sections 10 and 13D of Area Development Agreement	Items 15 and 17
x. Dispute resolution	Sections 18C to 18F and 18L of Franchise Agreement; Sections 15C to 15F and 15L of Area Development Agreement Section 10.2 of Multi-Unit Site Selection Agreement	Item 17
y. Business plan	Section 7A of Area Development Agreement	Item 11
z. Catering service and delivery service	Section 5C of Franchise Agreement	Item 16

Item 10
FINANCING

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

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

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

Obligations Under Area Development Agreement

Pre-Opening Assistance Under Area Development Agreement

If you sign the Area Development Agreement, then before you begin operating under that Agreement, we will:

1. Determine the Development Area within which you will look for Freshii Restaurant sites. (Area Development Agreement – Section 1B)
2. Determine the mandatory development Schedule for your (or your Controlled Affiliates') Freshii Restaurants. (Area Development Agreement – Section 1B)
3. Approve your Operating Partner (defined in Item 15) if he or she meets our requirements. (Area Development Agreement – Section 1E)

Ongoing Assistance Under Area Development Agreement

If you sign the Area Development Agreement, then during your operation under that Agreement, we will:

1. Approve of your (or your Controlled Affiliate's) financial and operational ability and proposed site for a Freshii Restaurant if they meet our requirements. You must give us the franchise application package that we periodically specify (including a signed letter of intent with the site's landlord) and all other information and materials that we periodically request to assess (i) each proposed Freshii Restaurant site and market area, and (ii) your (or the applicable Controlled Affiliate's) financial and operational ability to develop and operate the proposed Freshii Restaurant. We will not unreasonably withhold approval of any site in the Development Area you propose that meets our then current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics. We will not unreasonably withhold approval of you or a Controlled Affiliate as the franchisee of a Freshii Restaurant if you or the Controlled Affiliate meets our then current criteria for the financial and operational qualifications of Freshii Restaurant franchisees, including the operational criteria under the Franchise Agreement relating to the Freshii Restaurant's management. However, we have the absolute right to disapprove any site or franchisee that does not meet these criteria. Our site criteria might vary depending on the number of Freshii Restaurants that you and your Controlled Affiliates then operate in the Development Area in order to achieve a patterned and targeted development in the market.

We will use reasonable efforts to review and either approve or disapprove the sites and franchisees that you propose within 30 days after we receive all requested information and materials. If we approve a proposed site and your (or your Controlled Affiliate's) financial and operational ability to develop and operate the proposed Freshii Restaurant, then we will offer, and you or your approved Controlled Affiliate (and your owners and, if applicable, the Controlled Affiliate's owners) must sign, a separate franchise agreement for that Freshii Restaurant. If you or the Controlled Affiliate (and the applicable owners) do not do so within a reasonable time after we deliver the franchise agreement, or are unable to obtain lawful possession of the proposed site within a reasonable time after we approve of the proposed site, we may withdraw our approval.

In granting you the development rights under the Area Development Agreement, we are relying on your knowledge of the real estate market in the Development Area and your ability to locate and access sites. (Area Development Agreement – Sections 5B and 5E)

2. Grant you (or your approved Controlled Affiliate) franchises to operate Freshii Restaurants at approved sites in the Development Area. You or the approved Controlled Affiliate must sign our then current form of franchise agreement and related documents for each Freshii Restaurant (the "Updated Franchise Documents"), the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document. However, the Updated Franchise Documents will reflect a \$30,000 initial franchise fee (to which we apply \$15,000 of the Development Fee) and a royalty of 6% of gross sales. (Area Development Agreement – Section 5C)
3. If determined by us to be necessary, provide a 1-day executive workshop for the Operating Partner and your other owners and ongoing training courses, programs and conventions that we choose to provide. We will provide or facilitate pre-opening training under the Franchise Agreement for your Operating Partner. We may charge reasonable fees for any such training or workshop that we (or our designees) administer, facilitate or provide. We describe the executive workshop and other training later in this Item. (Area Development Agreement – Sections 6A, 6B and 6D)
4. If determine by us to be necessary, approve one of your (or your Controlled Affiliate's) Freshii Restaurants as a Certified Training Restaurant or a Coach Store (as defined below), and that restaurant's general manager as a Certified Training Manager or Coach Store trainer, if the restaurant and manager meet our requirements. We describe aspects of our training program later in this Item. (Area Development Agreement – Section 6C)
5. Approve your business plan if it meets our requirements. Within 60 days after signing the Area Development Agreement, you must submit your proposed business plan covering your development plans and projected operations under that Agreement. The business plan must include detailed plans for locating sites in specific markets within the Development Area. You must incorporate our comments (if any) into a revised business plan. You also must update the business plan each year and submit the updated business plan to us for our review and comment within 30 days after the start of each Development Period (defined in Item 12). You must implement your business plan, as it is updated and revised. (Area Development Agreement – Section 7A)
6. Approve Management Personnel who meet our requirements. (Area Development Agreement – Sections 7B and 7C)

Obligations Under Multi-Unit Site Selection Agreement

Pre-Opening Assistance Under Multi-Unit Site Selection Agreement

If you sign the Multi-Unit Site Selection Agreement, then before you begin operating under that Agreement, we will:

1. Determine the Site Selection Area in which you will look for Freshii Restaurant sites (Multi-Unit Site Selection Agreement – Section 1.1).
2. Determine the Minimum Performance Schedule for your (or your Controlled Affiliates') Freshii Restaurants (Multi-Unit Site Selection Agreement – Section 1.2.4, Exhibit A).

Ongoing Assistance Under Multi-Unit Site Selection Agreement

1. Approve or disapprove of your proposed sites for a Freshii Restaurant if they meet our requirements. You must give us the franchise application package that we periodically specify (including a signed letter of intent with the site's landlord) and all other information and materials that we periodically request to assess each proposed Freshii Restaurant Site and market area. We will not unreasonably withhold approval of any site in the Site Selection Area you propose that meets our then-current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics. However, we have the absolute right to disapprove any site that does not meet these criteria. Our site criteria might vary depending on the number of Freshii Restaurants that you and your Controlled Affiliates then operate in the Site Selection Area in order to achieve a patterned and targeted development in the market. We will have a minimum of 15 days after we receive all requested information and materials to approve or disapprove any site that you propose (Multi-Unit Site Selection Agreement – Section 3.1).
2. Grant you (or your approved Controlled Affiliate(s)) franchises to operate Freshii Restaurants at your approved sites in the Site Selection Area. You or the approved Controlled Affiliate must sign our then-current form of franchise agreement related documents for each Freshii Restaurant, the terms of which may differ substantially from those in the Franchise Agreement attached to this Disclosure Document (Multi-Unit Site Selection Agreement – Section 3.1).

Obligations Under Franchise Agreement

Pre-Opening Assistance Under Franchise Agreement

Before you begin operating the Restaurant, we will:

1. Provide your personnel with initial training, which we describe in detail later in this Item. We may charge reasonable fees for any such training that we (or our designees) administer, facilitate or provide. (Franchise Agreement – Sections 4A to 4C)
2. Approve sites for Freshii Restaurants that meet our criteria. We describe our site approval criteria and process under the Area Development Agreement above, and we use essentially the same criteria and process for evaluating sites if you sign a Franchise Agreement that is not covered by an Area Development Agreement. If you did not sign an Area Development Agreement with us, then you will have 120 days after you sign the Franchise Agreement to locate a site that you believe is acceptable for a Freshii Restaurant and provide us with all information we require relating to the proposed site. We will have 30 days after we receive all of the information we require to notify you whether the site is approved. Unless we provide our specific approval, a proposed site is

deemed not approved. If we cannot agree on a proposed site, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee. Franchise Agreement – Section 2A)

3. Approve or disapprove the lease for the Restaurant. You must not sign any lease or sublease unless we and you have signed the Franchise Agreement and we have approved the lease or sublease. The lease must contain the terms and provisions that are reasonably acceptable to us. We may (but have no obligation to) provide you guidance or assistance relating to the lease and its negotiation. At our request, you must sign, and obtain the lessor's consent to, the Collateral Assignment of Lease attached to the Franchise Agreement under which you will collaterally assign the lease to us as security for your timely performance of all Franchise Agreement obligations. Our approval indicates only that we believe the lease's terms meet our then acceptable criteria. Neither we nor our affiliates generally own the premises for Freshii Restaurants and lease them to franchisees. (Franchise Agreement – Section 2B)
4. Provide you mandatory and suggested specifications and layouts for a Freshii Restaurant, including requirements or recommendations (as applicable) for a Freshii Restaurant's design, decor and Operating Assets, and service providers and/or project managers for developing the Restaurant. These specifications and layouts might not reflect the requirements of any federal, state or local law, code or regulation, including those arising under zoning regulations, environmental laws and regulations, other applicable ordinances, building codes or permit requirements, or any lease requirements or restrictions. It is your responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to construct, remodel and decorate the Restaurant's premises. We may, but have no obligation to, periodically inspect the Restaurant's site during its development. (Franchise Agreement – Section 2C)
5. As discussed in Item 8, identify the Operating Assets, inventory, supplies and other products and services that you must use to develop and operate the Restaurant, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease items and services. Neither we nor our affiliates currently provide items directly. We will provide names of approved suppliers for some items. Our confidential operations manual provides specifications for some items. We do not deliver or install any items. (Franchise Agreement – Sections 2D, 2E, 5A, 5E and 5H)
6. Provide you access to our confidential operating manual and other confidential technical manuals ("Operations Manual"). The Operations Manual may include audiotapes, videotapes, computer disks, compact disks, DVDs and/or other written or intangible materials that we may make available to you by various means, including access through the Internet. The Operations Manual contains System Standards and information on your other obligations under the Franchise Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards, but these modifications will not alter your fundamental rights or status under the Franchise Agreement. You must keep your copy of the Operations Manual current and communicate all updates to your personnel in a timely manner. You must keep all parts of the Operations Manual in a secure location. If there is a dispute over its contents, our master copy of the Operations Manual controls. The Operations Manual's contents are confidential and you may not disclose any part of the Operations Manual to any person other than Restaurant personnel who need to know that part and who agree to maintain its confidentiality. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual. You must pay our then applicable charge for any replacement copy of the Operations Manual in tangible form.

The System Standards do not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual

or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at the Restaurant. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Restaurant employees or patrons.

The System Standards may regulate maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including requirements for promotions, special offers and discounts in which some or all Freshii Restaurants participate, in each case to the maximum extent the allows. (Franchise Agreement – Section 5.H(3))

At our option, we may post the Operations Manual on a restricted website to which you will have password access. If we do so, you must periodically monitor the website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website are part of confidential information. The Operations Manual's current table of contents is Exhibit D. (Franchise Agreement – Section 4G)

7. Provided that we have received the applicable deposit, identify materials that we require or recommend that you to use for a grand opening marketing program, and, to the extent we determine necessary, consult with you to assist in the preparation of a written grand opening marketing program, if the Restaurant is the first Freshii Restaurant covered by the Area Development Agreement to open in the Development Area or if the Restaurant is not covered by an Area Development Agreement. You must implement the grand opening marketing program (as approved by us) according to our requirements within three (3) months of the Restaurant's opening and must provide use with not less than four (4) weeks' notice of your intention to do so. Provided that you meet the requirements set out in the Franchise Agreement, we will choose to either, (a) pay, on your behalf, approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, or (b) credit you for amounts paid to approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit. Any such credit will be completed only if you provide us with copies of the applicable paid invoices and other documentation we reasonably request to show the applicable amounts. Even if we do not assist (as set out above) in the preparation of a grand opening marketing program (because the Restaurant is not the first Freshii Restaurant covered by the Area Development Agreement to open in the Development Area), you still must implement a grand opening marketing program for the Restaurant according to our requirements, including those in the Operations Manual and other System Standards. (Franchise Agreement – Section 7A)

Ongoing Assistance Under Franchise Agreement

During your operation of your Restaurant, we will:

1. Advise you regarding the Restaurant's operation based on your reports or our inspections. We will give you advice and written materials, including our Operations Manual, to guide you on standards, specifications, operating procedures and methods that Freshii Restaurants use; purchasing required or recommended Operating Assets and other products, supplies and materials; employee training methods and procedures (although you are responsible for hiring your employees and for the terms and conditions of their employment); and accounting, advertising, and marketing.
2. Give you, at your request and expense (and our option), additional or special guidance, assistance, and training. Any specific ongoing training, conventions, advice or assistance we provide does not

create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time. (Franchise Agreement – Section 4F)

3. Continue to provide you access to our Operations Manual. (Franchise Agreement – Section 4G)
4. Issue and modify System Standards. Because of our periodic modification of the System Standards (including to accommodate changes to the required Computer System for Freshii Restaurants and the Marks), you might need to invest additional capital in and otherwise improve and develop the Restaurant and incur higher operating costs. You must comply with those obligations within the time period we specify. Although we may establish and periodically modify System Standards that you must follow, you retain the responsibility for the Restaurant's day-to-day management and operation and implementing and maintaining System Standards at the Restaurant. Because complete and detailed uniformity under many varying conditions might not be possible or practical, we may vary System Standards for any Freshii Restaurant or group of Freshii Restaurants based upon the peculiarities of any conditions or factors that we consider important to its operations. You have no right to require us to grant you a similar variation or accommodation. (Franchise Agreement – Sections 5H and 5I)
5. Let you use our Marks. (Franchise Agreement – Section 10)
6. Let you use our confidential information. (Franchise Agreement – Section 11)

Advertising and Marketing Programs

Marketing Fund

Recognizing the value of advertising and marketing to the goodwill and public image of Freshii Restaurants, we have established a Marketing Fund. You must contribute the amount that we periodically specify to the Marketing Fund. Currently the specified Marketing Fund Contribution is 1.5% of Gross Sales. Freshii Restaurants that we and our affiliates own will contribute to the Marketing Fund on the same basis as franchisees.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media; maintaining and administering one or more System Websites and otherwise establishing an online presence; administering regional and multi-regional marketing and advertising programs, including creating and/or purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. We and/or an outside national or regional advertising agency will produce all advertising and marketing. The Marketing Fund periodically will make available samples of advertising, marketing and promotional formats and materials at no cost and will offer for sale multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges. The Marketing Fund also may reimburse Freshii Restaurant operators (including us and/or our affiliates) for certain approved marketing expenditures that we periodically specify. We also may use Marketing Fund assets for advertising, marketing and promotional programs and materials that principally solicit the sale of Freshii Restaurant franchises, although we have no historical information on the percentage of assets used for those purposes.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. However, the Marketing Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund or otherwise provide assistance or services to the Marketing Fund, the Marketing Fund's administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to the Marketing Fund's business, and other expenses that we and they incur in administering or directing the Marketing Fund and its programs, including conducting market research, preparing advertising, promotional and marketing materials, and collecting and accounting for Marketing Fund contributions.

The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may (but need not) have the Marketing Fund audited annually, at the Marketing Fund's expense, by a certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

We intend the Marketing Fund to maximize recognition of the Marks and patronage of Freshii Restaurants. Although we will try to use the Marketing Fund in the aggregate to develop advertising and marketing materials and programs, and implement programs, that will benefit all Freshii Restaurants, we may use the Marketing Fund as we determine appropriate, in our discretion, and need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by Freshii Restaurants operating in that geographic area or that any Freshii Restaurant benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or implementation of programs. We may, but have no obligation to, use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a Freshii Restaurant franchisee and, upon 30 days' prior written notice, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will spend the remaining unspent funds contributed during the prior 12-month period on various marketing initiatives to benefit the System. (Franchise Agreement – Section 7B)

During the fiscal year ended December 26, 2021, the Marketing Fund had expenditures as follows: 92% was spent on creative, mobile and sponsorship and 8% was spent on marketing strategy and administration.

Local Marketing

In addition to your Marketing Fund contributions and any amounts spent on the Restaurant's grand opening marketing program, you must conduct local marketing in your Designated Territory and you must spend at least 1.5% of Gross Sales each month on local marketing for your Restaurant. Any amounts spent for local promotions that we may periodically recommend or require, including any regional or local

marketing funds that may be established independent form the Marketing Fund, may be attributed to your local marketing expenditures. Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements.

We must approve all marketing materials before you use them. Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 6 month period must be submitted to us for our review not later than 10 days before you intend to use it. Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

You must not advertise or use our Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent.

We reserve the right to require you to include certain language in your local marketing, such as “Franchises Available” and our website address and phone number.

There are currently no local or regional advertising cooperatives in the United States Freshii Restaurant network.

Advisory Council

We have formed an advisory council to work with us to improve the System, the products offered by Freshii Restaurants, advertising conducted by the Marketing Fund, and any other matters that we deem appropriate. The members of the council consists of franchisees that own or operate one or more Freshii Restaurants (including restaurants outside of the United States), and may include us and/or our affiliates. The advisory council acts solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve this advisory council. If you participate in an advisory council, you must pay any costs you incur related to your participation, such as travel and living expenses related to attending advisory council meetings.

System Website and Electronic Advertising

We or one or more of our designees may establish the System Website. If we include information about the Restaurant on the System Website, you must give us the information and materials that we periodically request concerning the Restaurant and otherwise participate in the System Website in the manner that we periodically specify. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights.

In addition to the System Website, we also maintain an internal site (currently known as “Communitii”) through which we facilitate communication and the dissemination of information and materials to our Franchise system. Communitii provides private and secure communications between us, our franchisees, and other persons and entities that we decide are appropriate. Also, we publish and maintain various forms and manuals there that you may use in the operation of your Restaurant, including the Operations Manual and System Standards. You must establish and maintain access to this website in the manner we designate.

We own all intellectual property and other rights in the System Website and Communitii and all information they contain, including the domain name or URL for the System Website, the log of “hits” by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may

use the Marketing Fund's assets to develop, maintain and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

All advertising, marketing and promotional materials that you develop for the Restaurant must contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Restaurant or displays any of the Marks without our prior approval. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. Nothing limits our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website or otherwise over the Internet without payment or other obligation. (Franchise Agreement – Section 7E)

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications ("apps") that we may introduce, may in addition to advertising and promoting the products, programs or services available at Freshii Restaurants, be devoted in part to offering Freshii franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

You are not permitted to promote the Restaurant or use any of the Marks in any manner on any social media (defined as all social media including, but not limited to, personal or professional blogs, common social networks (such as Facebook and Instagram), professional networks (such as LinkedIn), live-blogging tools (such as Twitter), virtual worlds, file-sharing websites (including audio-sharing and video-sharing), and other similar social networking or media sites or tools) without our prior written consent. We will control all social media activities and initiatives. When and if you are permitted by us to promote the Restaurant or use any of the Marks on social media, you must comply with the System Standards regarding the use of social media (including, without limitation, prohibitions on posting or blogging comments about the Restaurant or our franchise system, other than on a website established or authorized by us), and highest standards of honesty, integrity, fair dealing and ethical conduct. Where the foregoing applies, you must maintain the applicable social media pages, handles, and assets with accurate and current content approved by us and in accordance with our brand guidelines and instructions. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

Approval of Advertising

All of your advertising, promotion and marketing must be completely clear, factual and not misleading and conform to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us, for our approval, samples of all advertising, promotional and marketing materials that we have not prepared or previously approved during the past 6 months. If you do not receive written notice of disapproval from us within 15 days after we receive the materials, they are deemed approved. You may not use any advertising, promotional or marketing materials that we have disapproved. We assume no liability to you or any other party due to our approval or disapproval of any advertising, marketing or promotional materials or programs. You are responsible for ensuring that those materials and programs comply with all applicable laws, ordinances and regulations. (Franchise Agreement – Section 7D)

Computer System

Under the Franchise Agreement, you must obtain and use the point-of-sale system, back-office system, hardware and software that we periodically specify, including, software components (such as those

relating to inventory management, customer service, store audits and other operational requirements, dedicated telephone and power lines, modems, printers, and other computer-related accessories and peripheral equipment (the “Computer System”). The Computer System will provide you with multi-unit polling, daily sales reporting, labor reporting, void/comp/discount management, emails, comparative reports, management alerts and tracking sales trends and will collect, track and analyze sales, payment, labor reports, gift card, frequency program and other operations-related data. The Computer System will also function as the Restaurant’s point-of-sale cash register system.

We estimate that the initial cost of the Computer System will be between \$20,000 and \$30,000. You must purchase and use the below designated hardware software as part of your Computer System. The one-time fees or license fees listed below are included in the above \$20,000 and \$30,000 and in Item 7 in the “Your Estimated Initial Investment One Freshii Restaurant” table.

The designated point-of-sale program is provided by Oracle. You must purchase the applicable Oracle POS system designated by us directly from the manufacturer. You will pay a one-time hardware fee of \$7,286 (approx. excluding taxes and shipping), a software fee (cloud subscription) of \$2,496 (approx. excluding tax) (such payment divided into four equal quarterly payments of \$624 summing to \$2496 a year, based on a fixed one-year term). You may elect to purchase elevated service packages on certain pieces of hardware at varying fees (depending on the particular level of service and applicable/additional hardware).

You must use the First Data payment processing program. You will pay to the manufacturer an ongoing variable fee based on a percentage of the Restaurant’s sales and amount of credit card processing activity, as well as the following fees: (i) one-time store account set-up fee of \$99, (ii) one-time gift card set-up fee of \$99, (iii) one-time mobile application set-up fee of \$49, (iv) a monthly account fee of \$10, and (v) a monthly variable gift card fee (based on usage) with a maximum of \$15 per month. Additional amounts may be payable to Givex (through First Data) depending on your sales of gift cards.

Eigen must be used to post terminal transactions to the POS system, with associated initial set-up cost of \$135, initial purchase of connection equipment of \$45 per connector, and a recurring monthly cost of \$45. You must rent transaction terminals from Eigen at a rental cost of \$16 per month per terminal (other rental fees may be applicable for different transaction terminal models or functionality).

You must use the designated gift card program provided by Givex. You must purchase the gift card program directly from Givex and the amount you must pay for this program is based on your sales gift card sales.

You must use Pinnacle IP Solutions for your Internet service, phone service, fax service, security software and you must also use their remote onsite technical support. You will pay the manufacturer a one-time fee of approximately \$6,884 for on-site wiring and initial setup (such fee will vary depending on the size of the Restaurant) and an ongoing monthly fee of \$208.45 (such fee will vary depending on the term of contract, the maximum monthly fee, at this time, will be \$328.45). You will have the option to purchase security cameras, and associated support programs, Pinnacle IP Solutions, with an associated cost of installation depending on the quantity of cameras installed (\$800-\$1,300).

You must use UR Channel for digital menu boards and pay a monthly fee of \$36 per digital menu board zone configuration, which includes the base service fee. You may also need to pay a one-time installation fee of \$6,795.00 to procure monitor/displays, menu board media players, and to cover installation cost. We may designate an alternative supplier to these services and such supplier may charge different fees.

You must pay a monthly fee of \$43.65 to OLO for the Freshii mobile application platform fee (maintenance of Freshii mobile application), a per transaction fee of \$0.18 for any pickup and/or rails orders and a per transaction fee of \$0.68 for delivery orders. New locations must also pay an OLO location activation fee of \$250. Other than the delivery transaction fee, which is paid by you directly to OLO, each of these are paid to us and subsequently remitted to OLO.

You must pay a monthly fee of \$51.52 to Order House Loyalty, and Customer Relationship Management services, which includes setup and maintenance of loyalty offers, rewards and campaigns that are offered through our mobile application or website.

You must also subscribe to Maegan systems, which is primarily used for menu management, and at this time is paid by us, although you may be required to pay any required fees in the future.

You may be required to Franchisor's designated audio vendor, for your music services, however at this time it is not mandatory. It may become mandatory in the future. There is a monthly fee of approximately \$30 for this service.

You are recommended to use Restaurant365, our designated inventory management platform, for your food cost management. There is an initial setup fee of \$50 and a monthly fee of approximately \$55 for this service. If you elect not to use Restaurant365, you may be required to use an alternative inventory management platform, subject to our approval of such platform.

You must use the Freshii customer experience platform as part of your Computer System. There is currently no charge for this platform, although we reserve the right to charge a reasonable fee in the future.

We may require you to work with third-party delivery aggregators, many of which charge a variety of fees which may impact the pricing schedules or require you to pay fees directly for menu items ordered through such platforms.

The above software systems will provide ongoing maintenance, support, upgrades and updates for their respective software programs. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your hardware, required upgrades to operate our current management and payment processing applications, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We may periodically modify specifications for, components of, and software comprising the Computer System. These modification and/or other technological developments or events may require you to purchase, lease and/or license new or modified computer hardware, software and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you must incur the costs of obtaining the computer hardware, software and other components comprising the Computer System (and additions and modifications) and required service or support. Within sixty (60) days after we deliver notice to you, you must, as applicable, (i) sign up for such change in the Computer System, and within thirty (30) days of such changes becoming available, obtain the necessary components and services, and (ii) obtain the Computer System components and services that we designate and ensure that your Computer System, as modified, is functioning properly.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the System Website), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for

example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically specify to regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities concerning, the software or technology. We (and our affiliates) and providers of any component of the Computer System may charge you up-front and ongoing fees for any required or recommended proprietary software or technology that we or our affiliate's license to you and for other Computer System maintenance and support services provided during the Franchise Agreement's term and may charge such fees by any method we or our associates, as applicable, determine (such as by automatic debit).

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You must have high speed internet service. The Computer System must permit 24 hours per day, 7 days per week electronic communications between us and you, including access to the Internet. We will have unlimited, independent access to all of the information and data in the Computer System. (Franchise Agreement - Section 2E).

Opening

You will begin looking for sites and otherwise operating under the Area Development Agreement or Multi-Unit Site Selection Agreement as soon as you sign it. We estimate that it will be about twelve months after you sign the Franchise Agreement (which is when you first pay consideration for that franchise) before you begin operating your Restaurant. The specific timetable for opening depends on how quickly you finalize the Restaurant's lease; the Restaurant's condition and the extent to which you must upgrade or remodel it; the construction schedule; the delivery schedule for Operating Assets and supplies; schedule for completing training; and complying with local laws and regulations. You must have the Restaurant's lease signed within 6 months from when you sign the Franchise Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your Restaurant is the same as for an individual Franchisee.

You may not open and begin operating the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and specifications and in compliance with all applicable laws, rules and regulations; (2) all Restaurant personnel have completed all pre-opening training to our satisfaction; (3) you have paid all amounts that you then owe to us or our affiliate; (4) you have obtained all required licenses and permits to operate the Restaurant; (5) you have provided us copies of all required insurance policies or other evidence of insurance coverage and payment of premiums as we request; and (6) we have (at our option) conducted a pre-opening inspection and approved the Restaurant for opening. Our determination that you have met all of our pre-opening requirements will not constitute a representation or warranty, express or implied that the Restaurant complies with any laws or constitute a waiver of your non-compliance, or of our right to demand full compliance, with any provision of the Franchise Agreement. You must obtain our approval to open and open the Restaurant for business within twelve months after signing the Franchise Agreement. (Franchise Agreement – Section 2F)

Training

We offer a multi-tiered approach to training for both new store openings, store transfers and continuing development. We use a variety of tools and formats to deliver training, which may include manuals, webinars, in-person teaching assessments and online courses. All training specified by us to be required must be completed in accordance with our standards.

The Freshii Training Team is an extension of the Operations Team and is comprised of Shannon Beyak (Senior Learning and Development Manager), Jeremy Snead (Manager, Training & Support), Julian Barrientos (Trainer, New Store Openings) and a team of franchise partner trainers. Shannon has spent the past 25 years in the hospitality industry in many different roles and training capacities. Shannon joined our team in 2021. In her current role as Senior Learning and Development Manager, Shannon oversees the training needs for new store openings, store transfers, and provides certain operational support at the store level, along with assistance in a variety of our other store-level support initiatives.

Initial Training for Operating Partners and/or General Managers

Hands On. Prior to the Restaurant opening, you, the Operating Partner (if applicable) and/or the General Manager (as determined by us) must attend and complete our initial training program regarding the operation of a Freshii Restaurant at least 4 weeks, or such other timeline as we may determine, prior to the opening of the Restaurant. Initial training may consist of or include the MIT program (described below), a cost of \$500 per person per week, as well as a mix of virtual training and assessments (which are provided at no additional cost). The exact nature of the initial training will differ depending on whether you are currently operating other Freshii Restaurants, whether you are opening a new Freshii Restaurant or acquired a Freshii Restaurant by way of transfer, and certain other factors determined by us. If you, the Operating Partner (if applicable), the General Manager or other Restaurant personnel required to attend any portion of the initial training does not complete that training to our satisfaction, we may elect to terminate the Franchise Agreement, Area Development Agreement and/or Multi-Unit Site Selection Agreement, as applicable. Corporate trainers play a role in a hands-on training with Franchise Partners, Managers, and Team Members. Corporate trainers have experience in Freshii restaurant operations and go through a shadow training process prior to independently training Franchise Partners, Managers, and Team Members.

If you are opening your first or second new store, in addition to virtual training, you, the Operating Partner and/or the General Manager (as determined by us) will be required to participate in and pay a fee per individual attending (currently charged weekly), in the Manager in Training (MIT) program. The program consists of you, the Operating Partner and/or the General Manager participating in hands-on learning of operating skills necessary to open and operate the Restaurant, such training to be conducted at our Freshii Corporate Store located in Toronto, Ontario, Canada (the “Corporate Store”). This means travel will be required by the Operating Partner and/or the General Manager to attend MIT training. We may require that you participate in additional or supplemental training, including training programs for a franchisee’s third and subsequent Freshii Restaurants, and we may charge a fee in connection with such programs. You are responsible for paying any and all travel, accommodation, living and other expenses, compensation and other charges incurred by yourself and your personnel while attending any training programs. (Area Development Agreement – Section 6 and Franchise Agreement – Sections 4A through 4E). Any incremental training requested by you that we provide, and any incremental training required by us, is subject to additional fees paid by you.

Virtual. The Virtual Manager training program is a mixture of virtual classroom sessions, assessments (conducted by our team) and self-study programs available online at Freshii’s online learning portal, “Freshii University”. It typically consists of a one-week (approximately 20 hours) online training program, covering many operational components of a Freshii Restaurant, including information regarding the “Freshii brand”, the Restaurant menu, finance, marketing, training and development of team members, coaching and leadership, scheduling, business operations, guest experience, food safety and preparation,

and technology. Our Senior Training Manager oversees all content creation for Freshii University, utilizing the expertise from various departments to build comprehensive and informative course material.

Column 1 Subject	Column 2 Hours of Virtual Training	Column 3 Location of Virtual Training
Freshii Basics (Team Member Training)	40	Corporate Store
Freshii Operations (Manager Training)	40	Corporate Store
Food Safety	2	Online/Webcast ⁽¹⁾
Guest Experience and Cash Management	2	Online/Webcast ⁽¹⁾
Talent: Hiring, Training and Development	2	Online/Webcast ⁽¹⁾
Building Culture: Coaching and Leadership	2	Online/Webcast ⁽¹⁾
Labor, Scheduling, Business Finance	6	Online/Webcast ⁽¹⁾
Food Cost & Inventory	20	Corporate Store /Online/Webcast ⁽¹⁾
Food Prep & Service	2	Online/Webcast ⁽¹⁾
Technology, New Store Opening Roles	1	Online/Webcast ⁽¹⁾
Marketing	2	Online/Webcast ⁽¹⁾
Total Hours	119	

Explanatory Notes:

1. All virtual courses, while accessible online, are hosted from Freshii HQ in Toronto, Ontario, Canada.
2. Hours are based on a three week MIT training program. Additional hours may be necessary in the event that we determine that a longer training program is required.

In-Store Training

If the Restaurant is your first or second Freshii Restaurant, a trainer from an applicable Coach Store will lead in-person training for you and your staff at the Corporate Store. On-site training is substantially directed at teaching you and your staff how to perform the day-to-day operations of a typical Freshii Restaurant. This trainer may also support your store opening at your Restaurant for a period of time deemed necessary by us. If we chose to provide such support at your first and/or second Freshii Restaurant locations, it will be at no additional cost to you. We will charge reasonable fees for any additional training (whether requested by your or mandated by us).

Ongoing Training for Operating Partners, General Managers and Team Members

We often provide ongoing training, development courses, assessments and materials pertaining to new operations and menu launches. These ongoing programs are made available to you and your staff online, including through Communitii and Freshii University, or by other means we determine appropriate. We may require participation in ongoing training and such training must be completed to our satisfaction. The Senior Learning & Development Manager will oversee ongoing and new initiative training. Various subject matter experts from the Operations Team will occasionally conduct training to the Franchise system with signoff from the Senior Training Manager.

Self-Study

The self-study program is available online at Freshii University. Courses included in Freshii University coincide with, and in some cases supplement, the materials presented in the other components of the initial training program. We also use Freshii University to introduce new lessons and provide ongoing training. In addition to the Operating Partner (if applicable), the General Manager, and each other salaried manager, all Restaurant staff, including staff hired after the Restaurant is opened, are required to participate in the self-study program.

Item 12 **TERRITORY**

Area Development Agreement

If you sign the Area Development Agreement, you (and your Controlled Affiliates) will develop a specified number of Freshii Restaurants within the Development Area. We and you will work together to identify and negotiate the Development Area in the Area Development Agreement before signing it. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Freshii Restaurants that you agree to develop, demographics, and site availability. There is no minimum size for Development Areas. Once the Development Area has been determined, it will be described using streets or other natural boundaries or, in some markets, city or county boundaries. We and you will negotiate the Schedule describing the number of Freshii Restaurants that you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the Schedule in the Area Development Agreement before signing it. You may not develop or operate Freshii Restaurants outside the Development Area.

If you and your Controlled Affiliates are in full compliance with the Area Development Agreement and other agreements (including franchise agreements), then, during the Area Development Agreement's term, neither we nor our affiliates will operate, or authorize any other party to operate, a Freshii Restaurant the physical premises of which are located within the Development Area, except for Freshii Restaurants located at Non-Traditional Locations within the Development Area. "Non-Traditional Locations" means: (1) airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, and other venues to which the general public customarily does not have unlimited access; and (2) department stores, grocery stores, gas station, convenience stores and other retail locations that operate under a separate brand identity and within which a Freshii Restaurant or kiosk might operate as a department located within the premises of the host retailer. After the Area Development Agreement expires or is terminated, regardless of the reason, we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Development Area without any restrictions, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

Except as described above, your rights under the Area Development Agreement are non-exclusive and we (and our affiliates) retain the right during the Area Development Agreement's term to engage in all activities that we (and they) desire, at any time or place. This includes the right to:

- (1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Development Area, on any terms and conditions we deem appropriate;
- (2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Development Area on any terms and conditions we deem appropriate;
- (3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers we desire (wherever located or operating, including within the Development Area) and through any distribution channels we desire (wherever located or operating, including within the Development Area), including by selling products identified by the Marks through grocery stores, gas station, convenience stores, mail order and the Internet. We do not have to pay you if we solicit or accept orders from inside the Development Area. Any orders placed through our Website will be fulfilled by us and you will not receive any portion of our revenue from these sales, even if the order is delivered to a customer within your Development Area; and
- (4) engage in all other activities that the Area Development Agreement does not expressly prohibit.

Because we and others may establish and operate Freshii Restaurants at Non-Traditional Locations in the Development Area, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

Your failure to comply with the Schedule as of the end of any Development Period is a "Development Default." A "Development Period" is the 12-month period beginning on the date, or the anniversary of the date, upon which you sign the Area Development Agreement. Following a Development Default, and whether or not we provide you written notice of that Development Default, you must cure that Development Default by complying with the Schedule within 60 days after the end of the Development Period in which the Development Default occurred. This cure period does not reduce the Schedule for the next Development Period or extend the time for you to comply with the Schedule for the next Development Period. If you commit 2 Development Defaults in successive Development Periods or 3 Development Defaults at any time during the term of the Area Development Agreement, then we may (but need not):

- (a) terminate the Area Development Agreement (but not franchise agreements with you or your Controlled Affiliates);
- (b) extend the time of any Development Period (and extend the time for all future Development Periods) for any period of time that we determine; and/or
- (c) reduce the size of the Development Area to a lesser area that we determine.

Except as described above, continuation of your territorial rights in the Development Area does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter

your Development Area or your territorial rights. You have no options, rights of first refusal or similar rights for other areas.

Multi-Unit Site Selection Agreement

If you sign the Multi-Unit Site Selection Agreement, you will locate and develop a specified number of Freshii Restaurants within the Site Selection Area. We and you will work together to identify and negotiate the Site Selection Area and the Multi-Unit Site Selection Agreement before signing it. Sizes and boundaries for the Site Selection Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Freshii Restaurants that you agree for which you agree to locate a site and subsequently develop, demographics, and site availability. There is no minimum size for Site Selection Areas. The final Site Selection Area will be subject to confirmation by our Chief Operating officer in his/her sole discretion. Once the Site Selection Area has been determined as set out above, it will be described using streets or other natural boundaries or, in some markets, city or county boundaries. We and you will negotiate the Site Selection Schedule describing the number of Freshii Restaurants for which you must locate a site and develop to keep your rights and the dates by which you must locate each site. We and you will then complete the Site Selection Schedule in the Multi-Unit Site Selection Agreement before signing it. You may not search for site locations outside the Site Selection Area.

Your rights under the Multi-Unit Site Selection Agreement are non-exclusive and we (and our affiliates) retain the right during the Multi-Unit Site Selection's term to engage in all activities that we (and they) desire, at any time or place. This includes the right to:

- (1) continue to construct and operate other Freshii Restaurants and to use the System and the Marks at any location, and to license others to do so; develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein
- (2) develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein; and
- (3) develop, merchandise, sell and license others to sell any products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries and other non-Restaurant outlets and to use the Marks in connection therewith.

Because we and others may establish and operate Freshii Restaurants within your Site Selection Area, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

Your failure to comply with the Minimum Performance Schedule is a default of the Multi-Unit Site Selection Agreement, and may result in, among other things, the termination of the Multi-Unit Site Selection Agreement (but not any franchise agreements with you or your Controlled Affiliates).

Except as described above, continuation of your territorial rights in the Site Selection Area does not depend on your achieving a certain sales volume, market penetration or other contingency. You have no options, rights of first refusal or similar rights for other area.

Franchise Agreement

You will operate the Restaurant only at an approved site. If the Restaurant's lease expires or is terminated without your fault, or if the Restaurant is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Restaurant to a new site acceptable to us at your sole expense.

We and you will work together to identify and negotiate the "Designated Territory" for the Restaurant in the Franchise Agreement before signing it, provided that we will not be required to grant the Designated Territory you request. Sizes and boundaries for Designated Territories will vary widely depending on the demographics and other market factors concerning the Restaurant's site, but we expect that Designated Territories minimum area to be granted will be the area within a radius of 5 city blocks around the location approved for the Restaurant and for locations in suburban areas the Territory may be up to a 2 mile radius of the Restaurant. Once we and you have determined the Designated Territory, we will describe it using maps, streets and/or other natural boundaries.

If you are complying with the Franchise Agreement and all other agreements, during the Franchise Agreement's term, neither we nor our affiliates will operate, or authorize any other party to operate, a Freshii Restaurant, the physical premises of which are located within the Designated Territory, except for Freshii Restaurants located at Non-Traditional Locations within the Designated Territory. Otherwise your rights under the Franchise Agreement are non-exclusive and we (and our affiliates) retain the right during the Franchise Agreement's term to engage in all activities that we (and they) desire, at any time or place. This includes our right to:

- (1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Territory, on any terms and conditions we deem appropriate;
- (2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Territory on any terms and conditions we deem appropriate;
- (3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers we desire (wherever located or operating, including within the Territory) and through any distribution channels we desire (wherever located or operating, including within the Territory), including by selling products identified by the Marks through grocery stores, mail order, gas station, convenience stores and the Internet; and
- (4) engage in all other activities that the Franchise Agreement does not expressly prohibit.

Because we and others may establish and operate Freshii Restaurants at Non-Traditional Locations in the Designated Territory, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

We do not have to pay you if we solicit or accept orders from inside your territory. We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales in your Designated Territory under the Marks and other trademarks. You are not restricted from soliciting or accepting orders from consumers outside of the Designated Territory (if we approve the solicitation materials and programs). You may not use other channels of distribution,

such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales (as opposed to advertising and marketing) outside of the Designated Territory, because you may only make sales at the Restaurant and provide Catering Service and Delivery Service within the Designated Territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises under the Franchise Agreement. Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency. We may not alter your Designated Territory or your territorial rights. There are no minimum sales conditions.

Item 13 **TRADEMARKS**

You may use the Marks to operate under the Area Development Agreement and operate the Restaurant. Freshii ONE, LLC (“Freshii One”), our affiliate, has applied for registration or have registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office (the “PTO”):

Mark	Serial No.	Filing Date	Registration No.	Registration Date	Register
FRESHII (standard characters)	77552352	August 21, 2008	3601823	April 7, 2009	Principal
freshii (and design)	86848415	December 14, 2015	5094069	December 6, 2016	Principal
EAT. ENERGIZE.	86848346	December 14, 2015	5094068	December 6, 2016	Principal
ENERGII BITES	87443027	May 9, 2017	6138215	August 25, 2020	Supplemental
ii	87669590	November 2, 2017	6153632	September 15, 2020	Principal
II	90455547	January 8, 2021	Pending	Pending	Principal
freshii (stylized)	90455365	January 8, 2021	Pending	Pending	Principal
FRESHII (standard characters)	90455209	January 8, 2021	Pending	Pending	Principal

Freshii One owns the Marks and has granted an exclusive license in the Marks to Freshii Canada Corporate Stores, Inc. (“FCC”) pursuant to an International Trademark License Agreement effective January 1, 2014 (“Exclusive License”). FCC licenses us to use the Marks and related intellectual property, and to sublicense them to developers and franchisees to use in developing and operating Freshii Restaurants, under a Worldwide Trademark Sublicense Agreement dated effective January 1, 2014 (the “Sublicense Agreement”). The Exclusive License and the Sublicense both continue indefinitely unless terminated in accordance with their respective terms. Freshii One and FCC have the right to approve all proposed uses of the Marks. No other agreement limits our right to use or sublicense the Marks. Freshii One intends to file, or permit FCC to file on its behalf, all affidavits and other documents required to maintain its interest in and to the Marks.

Other than completing the registrations of the pending applications noted above, there are no other currently effective material determinations of the PTO, nor are there any material determinations of the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material federal or state court litigation, involving the principal Marks. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must follow our rules and other System Standards when using the Marks. If we believe at any time that it is advisable for us and/or you to modify, discontinue using and/or replace any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs that you incur in changing the signs or replacing supplies for the Restaurant), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. You may not communicate with any person other than us and Freshii One, our and its attorneys, and your attorneys, regarding any infringement, challenge or claim. We and Freshii One may take the action that we or Freshii One deems appropriate (including no action) and control exclusively any litigation, PTO proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that, in our or Freshii One's attorneys' opinion, are necessary or advisable to protect and maintain our and Freshii One's interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our and Freshii One's interests in the Marks.

We need not protect your right to use the Marks nor protect you against claims of infringement or unfair competition arising from your use of the Marks. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents are material to the franchise. We and Freshii One (and, if applicable, our other affiliates) claim copyrights in various copyrighted or copyrightable materials that we approve and license for use in the operation of Freshii Restaurants, including the Operations Manual, training materials, and advertising and promotional materials. We have not registered these copyrighted works with the United States Copyright Office. You may use these copyrighted works only to operate the Restaurant.

There currently are no effective adverse determinations of, or pending material proceedings before, the PTO, the United States Copyright Office, or any court regarding the copyrighted works. No agreement limits our right to use or allow others to use the copyrighted materials. We do not know of any copyright infringement that could materially affect you.

You must follow our rules and other System Standards when using the copyrighted works. If we believe at any time that it is advisable for us and/or you to modify, discontinue using and/or replace any of the copyrighted works, and/or use one or more additional or substitute copyrighted or copyrightable items, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions.

We need not protect your right to use the copyrighted works or protect you against claims arising from your use of the copyrighted works. None of the Area Development Agreement, the Multi-Unit Site Selection Agreement, or the Franchise Agreement requires you to notify us of any infringement claims. We need not take any affirmative action to protect the copyrighted works, although we have the right to control any litigation relating to the copyrighted works. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyrighted work or if the proceeding is resolved unfavorably to you.

Our Operations Manual and other materials contain our confidential information, some of which constitutes trade secrets under applicable law. Our confidential information includes things like site selection and market development plans, standards and criteria; layouts, designs, and other plans and specifications for Freshii Restaurants; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Freshii Restaurants; marketing research and promotional, marketing and advertising programs for Freshii Restaurants; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials and supplies that Freshii Restaurants use and sell; knowledge of the operating results and financial performance of Freshii Restaurants other than the Restaurant; customer solicitation, communication and retention programs, along with data and information used or generated in those programs; all data and all other information generated by, or used or developed in, the operation of Freshii Restaurants, including customer names, contact information and related information (“Customer Data”); and any other information that we reasonably designate as confidential or proprietary.

You may use our confidential information under the Area Development Agreement and Franchise Agreement, provided that such use is in compliance with those agreements. You must:

- (1) not use any confidential information (including the Customer Data) in any other business or capacity and keep the Confidential Information absolutely confidential, both during and after the term of the Area Development Agreement and Franchise Agreement (afterward for as long as the information is not generally known in the restaurant industry);
- (2) not make unauthorized copies of any confidential information disclosed via electronic medium or in written or other tangible form;
- (3) adopt and implement all reasonable procedures that we periodically specify to prevent unauthorized use or disclosure of confidential information, including disclosing it only to Restaurant personnel and others needing to know that confidential information to operate your business, and requiring the managers and other employees we periodically designate who will have access to that information to sign the non-competition and confidentiality agreement in the form attached to the Area Development Agreement and Franchise Agreement (the “Confidentiality and Non-Competition Agreement”). You must give us, at our request, signed originals of each Confidentiality and Non-Competition Agreement; and
- (4) not sell, trade or otherwise profit in any way from the confidential information, except during the term of the Area Development Agreement or Franchise Agreement using methods that we have approved.

You must promptly disclose to us all ideas, concepts, techniques or materials relating to a Freshii Restaurant (“Innovations”), whether or not protectable intellectual property and whether created by or for you or your owners, employees or contractors. Innovations are our property and works made-for-hire for us. If any Innovation does not qualify as a “work made-for-hire” for us, then you assign ownership of that item, and all related rights to that item, to us and must sign (and cause your owners, employees and

contractors to sign) whatever assignment or other documents that we periodically request to evidence our ownership and to help us obtain intellectual property rights in the item. You may not use any Innovation in operating your business or otherwise without our prior approval.

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

Area Development Agreement

We expect only companies to sign the Area Development Agreement. You must propose and obtain our approval of the “Operating Partner” for the business you will operate under the Area Development Agreement. We and you will insert the name of your approved Operating Partner in the Area Development Agreement before signing it. Your Operating Partner must at all times directly or indirectly own at least 5% of the ownership interests in you and must devote all of his or her business time and efforts (i.e. at least 40 hours per week) to the operation of, and to promote and enhance, your business as a Freshii Restaurant developer. The Operating Partner also must attend and satisfactorily complete our training programs.

On or before the 4th Freshii Restaurant covered by the Area Development Agreement first opens for business, you must hire an approved multi-unit manager who will oversee and control the day-to-day operations at a number of your (and your Controlled Affiliates’) Freshii Restaurants (a “Multi-Unit Manager”). You must hire an additional approved Multi-Unit Manager on or before the 10th Freshii Restaurant covered by the Area Development Agreement opens for business, and another additional Multi-Unit Manager on or before each successive 10th Freshii Restaurant covered by the Area Development Agreement opens for business (subject to your rights under the Schedule). Before engaging any Multi-Unit Manager, you must submit to us the identity and qualifications of the proposed Multi-Unit Manager, including resume, work history, experience, references, background verifications and other information that we reasonably request. We may interview your proposed Multi-Unit Managers, and you must not engage any Multi-Unit Manager unless we have approved him or her. The Multi-Unit Managers need not have an equity interest in your business nor attend our training program. Your Operating Partner and Multi-Unit Managers are collectively called the “Management Personnel.” The Management Personnel must sign our Confidentiality and Non-Competition Agreement.

If any of the Management Personnel dies, becomes disabled, or otherwise ceases devoting all of his or her business time and efforts to the operation of your business in the capacity of his or her position, you must immediately notify us. You then have 30 days to submit to us the identity and qualifications of the proposed replacement Management Personnel member, including resume, work history, experience, references, background verifications and other information that we reasonably request. We may conduct an in-person interview of the proposed Management Personnel member. You must not engage any replacement Management Personnel member unless we have approved him or her. You must have an approved Management Personnel member who meets these qualifications within 60 days after the previous Management Personnel member ceased holding that position. However, you are solely responsible for the hiring, firing and personnel decisions, and the terms and conditions of employment, relating to the Management Personnel and your other personnel.

We will grant Freshii Restaurant franchises under the Area Development Agreement or Multi-Unit Site Selection Agreement only to you or your approved Controlled Affiliates. “Controlled Affiliate” means a corporation, limited liability company or partnership that you form for the sole purpose of developing and operating a Freshii Restaurant under the Updated Franchise Documents, but only if:

(1) you, together with your direct and indirect owners, collectively own and control at least 90% of that entity's ownership interests;

(2) you have the authority under the governing documents, and at least the percentage of voting power required under applicable law, to authorize a merger, liquidation, dissolution or transfer of substantially all of the assets of that entity and, if the Controlled Affiliate is a partnership, you are the managing partner, or if the Controlled Affiliate is a limited liability company, you are the manager or managing member;

(3) you, your direct and indirect owners, and all direct and indirect owners of the Controlled Affiliate sign an agreement, in a form acceptable to us, under which they guarantee the Controlled Affiliate's performance of, and assume full and unconditional liability for and agree to perform, all of the Controlled Affiliate's obligations contained in the Updated Franchise Documents; and

(4) all owners of the Controlled Affiliate are of good character and otherwise meet our then current standards for owners of Freshii Restaurant franchisees.

Franchises that we grant to your Controlled Affiliates will count toward your Schedule.

Each owner of any direct or indirect ownership interest in you must personally guarantee all of your obligations under the Area Development Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is at the end of the Area Development Agreement.

Franchise Agreement

We expect only companies to sign our Franchise Agreement. Only you are authorized to operate the Restaurant. Except for approved transfers, you may not delegate or assign any of your rights or obligations under the Franchise Agreement or any aspect of the Restaurant's management or operation. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted under the Franchise Agreement.

The Restaurant must, at all times, have a fully-qualified general manager who meets our then current standards for Freshii Restaurant general managers and who has satisfactorily completed our then current training curriculum (the "General Manager"). The General Manager must devote all of his or her business time and efforts (at least 40 hours per week and at least 5 days per week) to the on-premises supervision of the Restaurant. If the General Manager ceases holding his or her position at the Restaurant for any reason, you must appoint a fully-qualified permanent replacement who meets our then current standards for Freshii Restaurant general managers, and who satisfactorily completes our then current training curriculum, within 30 days. All salaried managers at the Restaurant who are hired after we provide initial training must satisfactorily complete our then current training curriculum within 30 days after their hiring. Neither the General Manager nor any salaried managers at the Restaurant need to have an equity interest in the Restaurant, but they must sign our Confidentiality and Non-Competition Agreement.

Each owner of any direct or indirect ownership interest in you, and, if the Franchise Agreement is covered by an Area Development Agreement, the developer under that Area Development Agreement and each owner of any direct or indirect ownership interest in that developer, must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to

compete. This “Guaranty and Assumption of Obligations” is at the end of the Franchise Agreement. Your spouse may be required to sign if they have any direct or indirect ownership in you.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Restaurant must offer for sale all products and services that we periodically specify, including all products intended for off-premises consumption. You may not offer, sell or otherwise distribute at the Restaurant or any other location any products or services that we have not authorized. You may not offer or sell any products at wholesale without our prior written consent. There are no limits on any of our rights to modify the products and services that your Restaurant may or must provide. System Standards may regulate, among other things, sales, marketing, advertising and promotional programs and materials for the Restaurant (which might include providing food to consumers free or at a reduced price) and media used in these programs; maximum, minimum or other pricing requirements for products and services that the Restaurant offers; all aspects of the offer, sale, display and marketing of products intended for off-premises consumption or use; and participation in market research and test programs that we require or approve concerning various aspects of the Freshii Restaurant franchise system.

Unless we specify otherwise, you must provide Catering Service and/or Delivery Service from the Restaurant according to the Franchise Agreement and all System Standards. “Catering Service” means the delivery of food and beverage products that you prepare or partially prepare at the Restaurant and deliver to customers at locations other than the Restaurant’s site, where, in addition to delivering the products, you provide ancillary services (such as setting up for, serving or otherwise distributing the food and beverage products) at those locations. “Delivery Service” means the delivery of food and beverage products that you fully prepare at the Restaurant and provide ready-for-consumption to customers at locations other than the Restaurant’s site, where you deliver the food and beverage products but provide no ancillary services (such as setting up for, serving or otherwise distributing the food and beverage products) at those locations. You may not establish another outlet or property (other than the Restaurant’s site) for use with Catering Service or Delivery Service.

You may determine the geographic area within which you will offer Catering Service or Delivery Service, but (1) you must ensure that your customers receive at all times high quality food and beverage products that you prepare and maintain according to our specifications, and (2) you may not provide Catering Service or Delivery Service to any location outside the Territory. You must maintain the condition and appearance of, and perform maintenance on, vehicles, serveware and equipment used in providing Catering Services and/or Delivery Services according to our standards, specifications and procedures, and consistent with the image of Freshii Restaurants as first class, clean, sanitary, attractive and efficiently-operated foodservice businesses. You must ensure that all catering and delivery drivers strictly comply with all applicable laws and maintain adequate motor vehicle liability insurance in the amounts that we periodically specify.

If you do not comply with any provision of the Franchise Agreement, including any System Standard, pertaining to Catering Service or Delivery Service, then in addition to our other rights, we may, among other things, temporarily suspend or permanently terminate your right to provide Catering Service and/or Delivery Service or restrict the geographic area within which you may provide Catering Service and/or Delivery Service.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Area Development Agreement

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2	Expires on date when last Freshii Restaurant under Schedule opens.
b. Renewal or extension of the term	Section 2	You have no right to renew or extend.
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable.
e. Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f. Termination by franchisor with cause	Section 12A	We may terminate if you commit one of several violations.
g. "Cause" defined – curable defaults	Section 12A	60 days to cure single Development Default and 30 days to cure defaults not listed in (h) below.
h. "Cause" defined – non-curable defaults	Section 12A	Material misrepresentations or omissions, failing to complete mandatory training satisfactorily, 2 Development Defaults in successive periods or 3 Development Defaults during term, conviction of or pleading no contest to a felony, dishonest, unethical or illegal conduct, unauthorized transfer, termination of another agreement with us or our affiliate, breach of non-compete, unauthorized use or disclosure of confidential information, repeated defaults (even if cured), and bankruptcy-related events.
i. Franchisee's obligations on termination/nonrenewal	Section 13	Pay outstanding amounts, stop further development, stop using Marks and our other intellectual property, deliver advertising material and other proprietary items to us, stop using and maintain confidentiality of all confidential information, and return

		confidential materials (also see (r) below).	
j.	Assignment of contract by franchisor	Section 11A	No restriction on our right to assign or transfer ownership interests without your approval.
k.	“Transfer” by franchisee – defined	Section 11B	Includes transfer of interest in Area Development Agreement, ownership interest in Controlled Affiliate, all or substantially all of your assets, any rights to receive any related profits or losses or capital appreciation, or any ownership interest in you or any holder of direct or indirect controlling interest in you.
l.	Franchisor approval of transfer by franchisee	Section 11C	No transfers without our prior written consent.
m.	Conditions for franchisor approval of transfer	Sections 11C and 11D	We will not unreasonably withhold approval of transfer of non-controlling interest in you. We will approve control transfer if transferee (and each owner) qualifies; transferee, its owners and affiliates are not in a competitive business; transferee signs (at our option) either assignment of existing area development agreement or our then current area development agreement and other documents; transfer fee paid; new Operating Partner is acceptable and completes training; you (and transferring owners) sign general release (if state law allows); we determine that sale terms will not adversely affect business’ operation; and you subordinate amounts due to you (also see (r) below). All direct and indirect owners of transferee must sign guarantees. Transfer of Franchise Agreements and ownership in Controlled Affiliates must accompany transfer of Area Development Agreement.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 11G	We may match any offer for your business or controlling ownership interest in you.
o.	Franchisor’s option to purchase franchisee’s business	Not applicable	We do not have this right.
p.	Death or disability of franchisee	Section 11E	Must transfer to approved party within 9 months.

q.	Non-competition covenants during the term of the franchise	Section 10	No owning interest in, performing services for, or loaning money or guaranteeing loan to competitive business anywhere and no interference with our, our affiliates' or franchisees' general managers.
r.	Non-competition covenants after the franchise is terminated or expires	Section 13D	For 2 years no owning interest in or performing services for competitive business within Development Area or 3 miles of any other Freshii Restaurant (same restrictions apply after transfer).
s.	Modification of the agreement	Section 15K	No modifications without signed writing.
t.	Integration/merger clause	Section 15M	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 15F	We and you must arbitrate all disputes in Ontario, Canada (subject to applicable state law).
v.	Choice of forum	Section 15H	Subject to arbitration requirements, litigation will be in Ontario, Canada (subject to state law). Required language
w.	Choice of law	Section 15G of Area Development Agreement	Except for Federal Arbitration Act and other federal law, Ontario laws governs (subject to applicable state law).

Multi-Unit Site Selection Agreement

	SECTION IN MULTI-UNIT SITE SELECTION AGREEMENT	SUMMARY
PROVISION		
a. Length of the franchise term	Section 4	Expires on date when last Freshii Restaurant under Minimum Performance Schedule opens.
b. Renewal or extension of the term	Section 4	You have no right to renew or extend.
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable.
d. Termination by franchisee	Not applicable	You may seek termination upon any grounds available by state law.
e. Termination by franchisor without cause	Not applicable	We may not terminate without cause.

f.	Termination by franchisor with cause	Section 5	We may terminate if you commit one of several violations.
g.	“Cause” defined – curable defaults	Not applicable	Not applicable.
h.	“Cause” defined – non-curable defaults	Section 5.1	Failure to meet the Minimum Performance Schedule; Use of System or Marks except pursuant to and in accordance with a valid and effective Franchise Agreement; Material misrepresentations or omissions; conviction of an indictable offense punishable by a term of imprisonment in excess of 1 year; unauthorized transfer; termination of another agreement with us or our affiliate; breach of non-compete; failure to remit payments when due; beginning work on any unapproved site or where no franchise agreement has been signed for such location; failure to obtain approval of any site; ceasing operations of all Restaurants opened pursuant to the Agreement; and bankruptcy-related events.
i.	Franchisee’s obligations on termination/nonrenewal	Section 5.4	Cease any attempts to select sites on which to establish Restaurants; cease holding yourself out in any way as a franchisee or to do anything which would indicate a relationship with us.
j.	Assignment of contract by franchisor	Section 6.2	No restriction on our right to assign or transfer ownership interests without your approval.
k.	“Transfer” by franchisee – defined	Section 6.1	Includes any direct, indirect or contingent sale, transfer, assignment or encumbrance of interest in Multi-Unit Site Selection Agreement.
l.	Franchisor approval of transfer by franchisee	Section 6.1	No transfers without our prior written consent.
m.	Conditions for franchisor approval of transfer	Section 6.1	Our approval of any transfer is within our sole discretion.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Not applicable	We do not have this right.
o.	Franchisor’s option to purchase franchisee’s business	Not applicable	We do not have this right.
p.	Death or disability of franchisee	Section 5.3	Must transfer to approved party within 60 days.
q.	Non-competition covenants during the term of the franchise	Section 5.1.3	It is a default of the Multi-Unit Site Selection Agreement if you, or persons controlling, controlled by or

		under common control with you, have any direct or indirect interest in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by you are any Restaurant operated pursuant to a Franchise Agreement, or in any restaurant which is likely to cause confusion with the System.
r.	Non-competition covenants after the franchise is terminated or expires	Not applicable
s.	Modification of the agreement	Section 10.1
t.	Integration/merger clause	Section 10.1
u.	Dispute resolution by arbitration or mediation	Not applicable
v.	Choice of forum	Section 10.2
w.	Choice of law	Section 10.2

Franchise Agreement

PROVISION		SECTION IN FRANCHISE AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 1B	10 years.
b.	Renewal or extension of the term	Section 14	If you give timely notice, have complied with obligations during the Franchise Agreement's term, and (at your option) either remodel/upgrade or relocate Restaurant, you may acquire a successor franchise for 10-year term.
c.	Requirements for franchisee to renew or extend	Section 14	Sign then current franchise agreement and releases (if state law allows) and pay successor franchise fee.

		“Renewal” means signing our then current franchise agreement for the 10-year successor franchise term, which could contain materially different terms (including fees and territory), and paying our then standard initial franchise fee. The term “renewal” means to continue your rights granted under the Franchise Agreement to operate the franchised business for an additional consecutive term. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.	
e.	Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f.	Termination by franchisor with cause	Section 15A	We may terminate if you commit one of several violations.
g.	“Cause” defined – curable defaults	Sections 15A and 15C	48 hours to cure health, safety or sanitation law violations or operating unsafely; 10 days to cure monetary defaults and failure to maintain insurance; and 30 days to cure other defaults not listed in (h) below. We also may assume Restaurant’s management if you default.
h.	“Cause” defined – non-curable defaults	Section 15A	Material misrepresentations or omissions, failing to complete mandatory training satisfactorily, failing to open on time, abandonment or failing to operate for 3 or more consecutive days, losing rights to Restaurant, conviction of or pleading no contest to a felony, interference with inspections, dishonest, unethical or illegal conduct, unauthorized transfer, default of another agreement with us, our affiliate(s) (other than Area Development Agreement) or any third party, breach of non-

		compete, unauthorized use or disclosure of the Operations Manual or confidential information, failure to pay taxes, suppliers or lenders, understating Gross Sales, repeated defaults (even if cured), and bankruptcy-related events.
i. Franchisee's obligations on termination/nonrenewal	Sections 15C and 16	Pay outstanding amounts, stop using Marks and our other intellectual property, deliver advertising material, signs and other proprietary items to us, de-identify, stop using and maintain confidentiality of all confidential information and data, and return Operations Manual and other confidential materials (also see (o) and (r) below). We also may assume Restaurant's management.
j. Assignment of contract by franchisor	Section 13A	No restriction on our right to assign or transfer ownership interests without your approval.
k. "Transfer" by franchisee – defined	Section 13B	Includes transfer of interest in Franchise Agreement, the Restaurant or its profits or losses or capital appreciation, all or substantially all of the Operating Assets, or any ownership interest in you or any holder of direct or indirect controlling interest in you.
l. Franchisor approval of transfer by franchisee	Section 13C	No transfers without our prior written consent.
m. Conditions for franchisor approval of transfer	Sections 13C and 13D	We will not unreasonably withhold approval of transfer of non-controlling interest in you. We will approve control transfer if transferee (and each owner) qualifies; you have paid us and our affiliates all amounts due and submitted all reports and are otherwise not in violation of any provision; transferee, its owners and affiliates are not in a competitive business; training completed; transferee signs (at our option) either assignment of existing franchise agreement or our then current franchise agreement and other documents; transfer fee paid; transferee agrees to upgrade and remodel; you (and transferring owners) sign general release (if state

		law allows); we determine that sale terms will not adversely affect Restaurant’s operation; you subordinate amounts due to you; and you stop using Marks and our other intellectual property (also see (r) below). All direct and indirect owners of transferee must sign guarantees.	
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 13G	We may match any offer for your Restaurant or Operating Assets or controlling ownership interest in you.
o.	Franchisor’s option to purchase franchisee’s business	Section 16E	We may buy Restaurant’s assets at fair market value after Franchise Agreement is terminated or expires.
p.	Death or disability of franchisee	Section 13E	Must transfer to approved party within 9 months.
q.	Non-competition covenants during the term of the franchise	Section 12	No owning interest in, performing services for, loaning money or guaranteeing loan to, or diverting business or customers to competitive business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	Section 16D	For 2 years no owning interest in or performing services for competitive business within Territory or 3 miles of any other Freshii Restaurant (same restrictions apply after transfer).
s.	Modification of the agreement	Section 18K	No modifications without signed writing, but we may change Operations Manual and System Standards.
t.	Integration/merger clause	Section 18M	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 18F	We and you must arbitrate all disputes in Ontario, Canada (subject to applicable state law).
v.	Choice of forum	Section 18H	Subject to arbitration requirements, litigation will be in Ontario, Canada (subject to state law). Required language
w.	Choice of law	Section 18G	Except for Federal Arbitration Act and other federal law, Ontario laws governs (subject to applicable state law).

Item 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise in the United States.

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Shawn Saraga, our VP Development, at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 and +1 (416) 712-5526, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2020, 2021, 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised^	2020	121	87	-34
	2021	87	63	-24
	2022	63	52	-11
*Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Total Outlets	2020	121	87	-34
	2021	87	63	-24
	2022	63	52	-11

* The company-owned outlets in the above table were owned and operated by our affiliates.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2020, 2021, 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2020	0
	2021	0
	2022	0
Illinois	2020	0
	2021	0
	2022	0
Michigan	2020	0
	2021	0
	2022	0
Oregon	2020	0
	2021	0
	2022	0
Texas	2020	0
	2021	0
	2022	0
Washington	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For years 2020, 2021, 2022

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Terminations	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	0	0	0	0	0	0
Arizona	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	6	0	0	0	0	1	5
	2021	5	0	1	0	0	2	2
	2022	2	0	0	0	0	0	2
Connecticut	2020	5	0	0	0	0	2	3
	2021	3	0	1	0	0	0	2
	2022	2	0	1	0	0	1	0
Florida	2020	12	0	1	0	0	4	7
	2021	7	0	3	0	0	0	4
	2022	4	0	1	0	0	0	3
Georgia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	1	2
Idaho	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Illinois	2020	18	0	0	0	0	7	11
	2021	11	0	1	0	0	0	10
	2022	10	0	4	0	0	0	6
Indiana	2020	3	0	0	0	0	0	3
	2021	3	0	2	0	0	0	1
	2022	1	0	1	0	0	0	0
Iowa	2020	2	0	0	0	0	0	2
	2021	2	0	2	0	0	0	0
	2022	0	0	0	0	0	0	0
Kentucky	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	1	1

	2022	1	0	0	0	0	0	1
Michigan	2020	8	0	0	0	0	4	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Minnesota	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
New Jersey	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
New York	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
North Carolina	2020	4	0	0	0	0	2	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Ohio	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Oregon	2020	3	0	0	0	0	2	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	5	0	0	0	0	1	4
	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
Puerto Rico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
South Carolina	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Texas	2020	18	0	0	0	0	5	13
	2021	13	0	2	0	0	2	9
	2022	9	1	0	0	0	0	10
Virginia	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	1	0
Washington	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	6
	2022	6	0	1	0	0	0	5
Washington DC	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
Wisconsin	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
TOTAL	2020	121	1	3	0	0	32	87
	2021	87	0	13	0	0	11	63
	2023	63	1	8	0	0	4	52

* The COVID-19 pandemic and the reactions to it, including economic impacts and government restrictions may be a contributing factor to 2020 and 2021 store closures.

Table No. 4
***Status of Company-Owned Outlets**
For years 2020, 2021, 2022

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Florida	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Illinois	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

	2022	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

* The company-owned outlets in the above table are owned and operated by our affiliates.

Table No. 5
Projected Openings as of December 25, 2022

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
New York	1	1	0
Texas	1	1	0
Totals	2	2	0

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit H to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document are listed on Exhibit H to this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Freshii Restaurant System.

There are no trademark-specific organizations formed by our franchisees that are associated with the Freshii Restaurant System.

Item 21 **FINANCIAL STATEMENTS**

Exhibit E contains our audited financial statements for the fiscal years ended, December 27, 2020, December 26, 2021 and December 25, 2022.

Our fiscal year is a 52 or 53-week period ending on the last Sunday of December.

Item 22 **CONTRACTS**

The following agreements are exhibits:

Area Development Agreement — Exhibit B
Multi-Unit Site Selection Agreement – Exhibit C
Franchise Agreement — Exhibit D

Renewal/Assignment of Franchise Documents – Exhibit J
Sample Letter of Intent – Exhibit K

Item 23
RECEIPTS

Two copies of an acknowledgement of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one copy to us and retain the other for your records.

EXHIBIT A

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance- Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501

State	State Agency	Agent for Service of Process
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

FRESHII™ RESTAURANT
AREA DEVELOPMENT AGREEMENT

DEVELOPER

DATE OF AGREEMENT

DEVELOPMENT AREA

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**FRESHII™ RESTAURANT
AREA DEVELOPMENT AGREEMENT**

THIS AREA DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into on _____ (the “**Agreement Date**”), between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (“**Franchisor**”), and _____, a _____ limited liability/company whose principal business address is _____ (“**Developer**”).

1. PREAMBLES AND GRANT OF DEVELOPMENT RIGHTS

1.A. PREAMBLES

(1) Franchisor and its affiliates have designed and developed a method of developing and operating restaurants identified by the Marks (defined below) offering for general consumption a wide variety of healthy meals such as salads, rice bowls, wraps, oatmeal, fresh and frozen yogurt, healthy portable snacks and beverages (“**Freshii Restaurants**”).

(2) Franchisor and its affiliates have developed, and Franchisor uses, promotes and licenses, certain trademarks, service marks and other commercial symbols in operating Freshii Restaurants, including “Freshii (and design) TM”, and Franchisor may create, use and license other trademarks, service marks and commercial symbols for use in operating Freshii Restaurants from time to time (collectively, the “**Marks**”).

(3) Franchisor offers development rights to develop a specified number of Freshii Restaurants within a defined geographic area. Developer has applied for such development rights, and Franchisor has approved Developer’s application relying on all of Developer’s representations, warranties and acknowledgments contained in its franchise application and this Agreement.

1.B. GRANT OF DEVELOPMENT RIGHTS

Subject to Developer’s compliance with this Agreement, Franchisor grants Developer (and/or Developer’s approved Controlled Affiliates, as defined below) the right to develop the number of Freshii Restaurants specified on Exhibit A to this Agreement, according to the mandatory development schedule identified on Exhibit A to this Agreement (the “**Schedule**”), within the geographic area described on Exhibit B to this Agreement (the “**Development Area**”). This Agreement does not grant Developer or its Controlled Affiliates the right to develop more than the number of Freshii Restaurants listed on the Schedule or the right to develop Freshii Restaurants outside of the Development Area.

1.C. DEFINITION OF CONTROLLED AFFILIATE

In this Agreement, “**Controlled Affiliate**” means a corporation, limited liability company or partnership that Developer is authorized under this Agreement to form for the sole purpose of developing and operating a Freshii Restaurant pursuant to a Franchise Agreement (defined in Section 5.C), provided that:

(1) Developer, together with its Owners (defined below), collectively owns and controls at least ninety percent (90%) of that entity’s ownership interests;

(2) Developer has the authority under the governing documents, and at least the percentage of voting power required under applicable law, to authorize a merger, liquidation,

dissolution or transfer of substantially all of the assets of that entity and, if the Controlled Affiliate is a partnership, Developer is the managing partner, or if the Controlled Affiliate is a limited liability company, Developer is the manager or managing member;

(3) Developer, its Owners, and all owners of the Controlled Affiliate sign an agreement, in a form acceptable to Franchisor, under which they guarantee the Controlled Affiliate's performance of, and assume full and unconditional liability for and agree to perform, all of the Controlled Affiliate's obligations contained in the Franchise Agreement; and

(4) all owners of the Controlled Affiliate are of good character and otherwise meet Franchisor's then current standards for owners of Freshii Restaurant franchisees.

1.D. BEST EFFORTS

Except as specifically set forth in Section 11, Developer may not delegate or assign any of its rights or obligations under this Agreement or any aspect of the management or operation of the business it conducts under this Agreement (the "**Business**"). Developer agrees to at all times faithfully, honestly and diligently perform its obligations and fully exploit the rights granted under this Agreement.

1.E. ORGANIZATION OF DEVELOPER AND OPERATING PARTNER

Developer agrees and represents that:

(1) Its organizational documents will recite that this Agreement restricts the issuance and transfer of any ownership interests in Developer, and all certificates and other documents representing ownership interests in Developer will bear a legend referring to this Agreement's restrictions;

(2) Exhibit C to this Agreement completely and accurately describes all persons and entities holding a direct or indirect ownership interest (whether of record, beneficially or otherwise) or voting rights in Developer, including any person or entity who has a direct or indirect interest in Developer, this Agreement, or the Business and any person or entity who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets ("**Owners**"), and the interests of each Owner). Subject to Franchisor's rights and Developer's obligations under Section 11, Franchisee and its Owners agree to sign and deliver to Franchisor revised Exhibits C to reflect any changes in the information that Exhibit C now contains within ten (10) days after the change;

(3) Each of Developer's Owners at any time during the term of this Agreement will sign an agreement in the form that Franchisor periodically specifies undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Developer and Franchisor (or its affiliate);

(4) The Business and the operation of Freshii Restaurants under Franchise Agreements, if applicable, will be the only businesses Developer operates (although Developer's Owners and affiliates may have other, non-competitive business interests, subject to Section 10); and

(5) An individual whom Franchisor approves must at all times directly or indirectly own at least five percent (5%) of the ownership interests in Developer and must devote all of his or her business time and efforts (i.e. at least forty (40) hours per week) to the operation of, and to

promote and enhance, the Business (the “**Operating Partner**”). The Operating Partner’s name is listed on Exhibit C.

2. TERM OF AGREEMENT

The term of this Agreement begins on the Agreement Date and ends on the date when (a) the final Freshii Restaurant under the Schedule has been opened, or (b) this Agreement otherwise is terminated. Developer has no right to renew its rights under this Agreement or develop additional Freshii Restaurants after this Agreement terminates or expires. Developer acknowledges and agrees that the execution and delivery of this Agreement shall constitute notice to Developer of non-renewal for purposes of fulfilling the requirements of any applicable law governing the non-renewal of franchise or development rights.

3. RIGHTS IN DEVELOPMENT AREA

3.A. DEVELOPER’S RIGHTS IN DEVELOPMENT AREA

Provided Developer and its Controlled Affiliates are in full compliance with this Agreement and all other agreements between Developer (or any of the Controlled Affiliates) and Franchisor (or any of its affiliates), including all Franchise Agreements, then during the term of this Agreement, neither Franchisor nor its affiliates will operate, or authorize any other party to operate, a Freshii Restaurant the physical premises of which are located within the Development Area, except for Freshii Restaurants located at Non-Traditional Locations within the Development Area. “**Non-Traditional Locations**” means: (1) airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, and other venues to which the general public customarily does not have unlimited access; and (2) department stores, grocery stores, and other retail locations that operate under a separate brand identity and within which a Freshii Restaurant or kiosk might operate as a department located within the premises of the host retailer.

After this Agreement expires or is terminated, regardless of the reason, Franchisor and its affiliates may engage, and allow others to engage, in any activities Franchisor desires within and outside the Development Area without any restrictions whatsoever, subject only to Developer’s (or any Controlled Affiliate’s) rights under Franchise Agreements then in effect.

3.B. FRANCHISOR’S RESERVATION OF RIGHTS

Except as provided in Section 3.A, Developer’s rights under this Agreement are non-exclusive and Franchisor (and its affiliates) retain the right during the term of this Agreement to engage in any and all activities that Franchisor (and they) desire, at any time or place, including the right to:

(1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Development Area, on any terms and conditions Franchisor deems appropriate;

(2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Development Area on any terms and conditions Franchisor deems appropriate;

(3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers Franchisor desires (wherever located or operating, including within the Development

Area) and through any distribution channels Franchisor desires (wherever located or operating, including within the Development Area), including by selling products identified by the Marks through grocery stores, mail order and the Internet; and

- (4) engage in all other activities that this Agreement does not expressly prohibit.

4. DEVELOPMENT FEE

Simultaneously with signing this Agreement, Developer shall pay Franchisor the “**Development Fee**” set forth on Exhibit A. The Development Fee is calculated as one hundred percent (100%) of the initial franchise fee for the first Restaurant to be developed hereunder, plus a deposit equal to fifty percent (50%) of the initial franchise fee for each additional Restaurant to be developed hereunder. The Development Fee is fully earned by Franchisor when this Agreement is signed and is non-refundable, except as provided in Section 5.C below.

5. DEVELOPMENT SCHEDULE AND FRANCHISE AGREEMENTS

5.A. DEVELOPMENT SCHEDULE

To maintain Developer’s rights under this Agreement, Developer and/or approved Controlled Affiliates must sign Franchise Agreements for, develop, and open for business the agreed-upon number of Freshii Restaurants within the Development Area by the dates set forth on the Schedule. The Schedule is not Franchisor’s representation, express or implied, that the Development Area can support, or that there are sufficient sites for, the number of Freshii Restaurants specified in the Schedule.

5.B. SITE SELECTION AND FRANCHISOR APPROVAL

Developer agrees to give Franchisor the franchise application package that Franchisor periodically specifies (including a signed letter of intent with the site’s landlord) and all other information and materials that Franchisor periodically requests to assess (i) each proposed Freshii Restaurant site and market area, and (ii) Developer’s (or the applicable Controlled Affiliate’s) financial and operational ability to develop and operate the proposed Freshii Restaurant. Franchisor will not unreasonably withhold approval of any site Developer proposes that meets Franchisor’s then current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics. Franchisor will not unreasonably withhold approval of Developer or a Controlled Affiliate as the franchisee of a Freshii Restaurant if Developer or the Controlled Affiliate meets Franchisor’s then current criteria for the financial and operational qualifications of Freshii Restaurant franchisees, including the operational criteria under the Franchise Agreement relating to the management of the Freshii Restaurant. However, Franchisor has the absolute right to disapprove any site or franchisee that does not meet these criteria. Developer acknowledges that Franchisor’s site criteria might vary depending on the number of Freshii Restaurants that Developer and its Controlled Affiliates then operate in the Development Area in order to achieve a patterned and targeted development in the market.

Franchisor agrees to use reasonable efforts to review and either approve or disapprove the sites and franchisees that Developer proposes within thirty (30) days after Franchisor receives all requested information and materials. If Franchisor approves a proposed site and Developer’s (or its Controlled Affiliate’s) financial and operational ability to develop and operate the proposed Freshii Restaurant, then Franchisor will offer, and Developer or its approved Controlled Affiliate (and Developer’s Owners and, if applicable, the Controlled Affiliate’s owners) must sign, a separate Franchise Agreement for that Freshii Restaurant. If Developer or the Controlled Affiliate (and such owners) do not do so within a reasonable time after delivery of the Franchise Agreement, or are unable to obtain lawful possession of the proposed

site within a reasonable time after Franchisor approves of the proposed site, Franchisor may withdraw its approval. Neither Developer nor any Controlled Affiliate may sign any lease or sublease for a site without Franchisor's approval and first signing, and complying with, the Franchise Agreement. After Developer (or its Controlled Affiliate) signs the Franchise Agreement, its terms and conditions will control the development and operation of the Freshii Restaurant.

If Franchisor approves a proposed site, that is not a representation or warranty of any kind, express or implied, of the site's suitability for a Freshii Restaurant or any other purpose. Franchisor's acceptance indicates only that it believes the site meets its then acceptable criteria. Applying criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from Franchisor's criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if a site it approves fails to meet Developer's expectations. In granting Developer the development rights under this Agreement, Franchisor is relying on Developer's knowledge of the real estate market in the Development Area and Developer's ability to locate and access sites.

5.C. FRANCHISE AGREEMENTS

The franchise agreement (and related documents) that Developer or its Controlled Affiliate will sign for each Freshii Restaurant covered by this Agreement will be Franchisor's then current form of franchise agreement and related documents, including, without limitation, personal guarantees (collectively, the "**Franchise Agreement**"), any or all of the terms of which may differ substantially from the terms contained in Franchisor's current form of franchise agreement and related documents. However:

(1) the initial franchise fee under each Franchise Agreement will be Thirty Thousand Dollars (\$30,000);

(2) Franchisor will apply Fifteen Thousand Dollars (\$15,000) of the Development Fee towards the initial franchise fee (as described in Subsection (1) above) payable under each Franchise Agreement; and

(3) the royalty payable under each Franchise Agreement shall be six percent (6%) of Gross Sales (as defined in such Franchise Agreement).

5.D. CONTINUOUS OPERATION OF FRESHII RESTAURANTS

Franchisor will include a Freshii Restaurant in the cumulative number of Freshii Restaurants that must be open and operating in the Development Area according to the Schedule only if it actually is operating and substantially complying with the terms of its Franchise Agreement as of the end of a Development Period (as defined on Exhibit A). However, a Freshii Restaurant which is, with Franchisor's approval or because of fire or other casualty, permanently closed during a Development Period after being open and operating will be included in the cumulative number of Freshii Restaurants that must be open and operating according to the Schedule during that particular Development Period (but not after).

5.E. FAILURE TO COMPLY WITH SCHEDULE

Developer's failure to comply with the Schedule as of the end of any Development Period is a "**Development Default**." Following a Development Default, and whether or not Franchisor provides Developer written notice of that Development Default, Developer must cure that Development Default by complying with the Schedule on or before the date which is sixty (60) days after the end of the Development Period with respect to which the Development Default occurred. This cure period does not reduce the

Schedule for the next Development Period or extend the time for Developer to comply with the Schedule for the next Development Period. In addition, if Developer commits two (2) Development Defaults in successive Development Periods, or three (3) Development Defaults at any time during the term of this Agreement, then Franchisor may (but need not):

- (1) terminate this Agreement pursuant to Section 12.B;
- (2) extend the time of any Development Period (and thereby extend the time for all future Development Periods and the term of this Agreement) for any period of time that Franchisor determines; and/or
- (3) reduce the size of the Development Area to a lesser area that Franchisor determines.

5.F. NO SUBLICENSING

This Agreement does not grant Developer any right to license others to operate Freshii Restaurants. Only Developer (and its approved Controlled Affiliates) may open and operate Freshii Restaurants pursuant to this Agreement and only under Franchise Agreements.

6. TRAINING

6.A. EXECUTIVE WORKSHOP

Within sixty (60) days after the Agreement Date, the Operating Partner and all other Owners of Developer must attend and complete to Franchisor's satisfaction the one (1)-day executive workshop that Franchisor specifies for Freshii Restaurant developers. Franchisor shall provide such executive workshop to Developer's Owners for no additional fee.

6.B. RESTAURANT TRAINING FOR OPERATING PARTNER

Without limiting the training and other obligations under the first Franchise Agreement that Developer (or its Controlled Affiliate) signs pursuant to this Agreement, the Operating Partner shall attend and complete to Franchisor's satisfaction all pre-opening training required of the Freshii Restaurant's general manager under that Franchise Agreement before that Freshii Restaurant opens for business.

6.C. CERTIFIED TRAINING RESTAURANTS AND MANAGERS

On or before the date upon which the fifth (5th) Freshii Restaurant covered by this Agreement first opens for business, but no sooner than the date upon which the third (3rd) Freshii Restaurant covered by this Agreement first opens for business, Developer must ensure that:

- (1) Developer or its Controlled Affiliate completes to Franchisor's satisfaction the necessary training, and attains the minimum benchmarks, that Franchisor then specifies for Franchisor to designate one of the operating Freshii Restaurants in the Development Area as a "**Certified Training Restaurant**" for the Development Area; and
- (2) the general manager of the Certified Training Restaurant completes such training, performs such other tasks, and satisfies such other conditions that Franchisor then specifies to designate that general manager as the "**Certified Training Manager**" for the Development Area.

Developer shall ensure that the Certified Training Manager and other personnel at the Certified Training Restaurant provide training and other assistance to Developer's (and its Controlled Affiliate's) other Freshii Restaurants and their personnel using standards and procedures that Franchisor periodically specifies.

Once Franchisor has designated a Certified Training Restaurant and Certified Training Manager for the Development Area pursuant to this Agreement, Developer must ensure that it maintains at all times during the remaining term of this Agreement at least one (1) Certified Training Restaurant in the Development Area and has a Certified Training Manager working full-time at that Certified Training Restaurant. If the Certified Training Restaurant for the Development Area fails to maintain that status, or if the Certified Training Manager's full-time employment at the Certified Training Restaurant terminates for any reason or the Certified Training Manager for the Development Area fails to maintain that status, then Developer must within thirty (30) days thereafter comply with Franchisor's requirements to once again obtain a Certified Training Restaurant in the Development Area and a Certified Training Manager working full-time at that Certified Training Restaurant.

6.D. ONGOING AND REFRESHER TRAINING

All of Developer's Management Personnel (defined in Section 7.B) must attend and satisfactorily complete Franchisor's then current training program applicable to his or her position within thirty (30) days after assuming his or her duties for Developer. In addition, during the term of this Agreement, Franchisor may require Developer's Management Personnel and/or other executives of Developer to attend and satisfactorily complete various training courses, programs and conventions that Franchisor chooses to provide periodically at the times and locations that Franchisor designates. Franchisor may charge reasonable fees for these training courses, programs and conventions.

6.E. TRAINING EXPENSES

Developer agrees to pay (or cause its Controlled Affiliates to pay) all travel, living and other expenses (including local transportation expenses) and compensation that the Operating Partner and any of Developer's and its Controlled Affiliates' other personnel incur in connection with attendance at any training courses, programs or conventions pursuant to this Agreement.

7. DEVELOPER'S OTHER OBLIGATIONS

7.A. BUSINESS PLAN

Within sixty (60) days after the Agreement Date, Developer agrees to prepare and submit to Franchisor, in the form and format that Franchisor reasonably specifies, a business plan covering Developer's development plans and projected operations under this Agreement. This business plan will include detailed plans for locating sites in specific markets within the Development Area. Developer shall incorporate Franchisor's comments (if any) into a revised business plan. Developer agrees to update the business plan each year and submit the updated business plan to Franchisor for its review and comment within thirty (30) days after the start of each Development Period. Developer shall implement its business plan (as it is updated and revised) in accordance with this Agreement.

7.B. MULTI-UNIT MANAGERS

On or before the date upon which the fourth (4th) Freshii Restaurant covered by this Agreement first opens for business, Developer must hire an approved multi-unit manager who will oversee and control the day-to-day operations at a number of Developer's (and its Controlled Affiliates') Freshii Restaurants (a "**Multi-Unit Manager**"). Developer must hire an additional approved Multi-Unit Manager on or before

the date upon which the tenth (10th) Freshii Restaurant covered by this Agreement opens for business, and another additional Multi-Unit Manager on or before the date upon which each successive tenth (10th) Freshii Restaurant covered by this Agreement (i.e., the twentieth (20th), thirtieth (30th), etc.) opens for business, subject to the number of Freshii Restaurants that Developer is permitted to develop under the Schedule. Before engaging any Multi-Unit Manager, Developer shall submit to Franchisor the identity and qualifications of the proposed Multi-Unit Manager, including resume, work history, experience, references, background verifications and other information that Franchisor reasonably requests. Franchisor shall have the right to conduct an in-person interview of the proposed Multi-Unit Manager, and Developer shall reimburse Franchisor for all travel and other expenses relating thereto. Developer shall not engage any Multi-Unit Manager unless he or she has been approved by Franchisor. Developer's Operating Partner and Multi-Unit Managers are collectively called the "**Management Personnel**."

7.C. REPLACEMENT OF MANAGEMENT PERSONNEL

If any of the Management Personnel die, become disabled, or otherwise cease devoting all of his or her business time and efforts to the operation of the Business in the capacity of his or her position, Developer shall immediately notify Franchisor. Within thirty (30) days thereafter, Developer shall submit to Franchisor the identity and qualifications of the proposed replacement Management Personnel member, including resume, work history, experience, references, background verifications and other information that Franchisor reasonably requests. Franchisor shall have the right to conduct an in-person interview of the proposed Management Personnel member, and Developer shall reimburse Franchisor for all travel and other expenses relating thereto. Developer shall not engage any replacement Management Personnel member unless he or she has been approved by Franchisor. Developer agrees to have an approved Management Personnel member who meets the qualifications set forth in this Agreement within sixty (60) days after the previous Management Personnel member ceased holding that position. Notwithstanding the foregoing or anything to the contrary in this Agreement, Developer shall be solely responsible for the hiring, firing and personnel decisions, and the terms and conditions of employment, relating to the Management Personnel and its other personnel.

7.D. RECORDS AND REPORTS

Developer agrees to establish and maintain at its own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats that Franchisor periodically specifies. In addition to the records and reports required under the Franchise Agreements, Developer also agrees to give Franchisor in the manner and format that Franchisor periodically specifies:

(1) within twenty (20) days after the end of each month, the consolidated operating statements, financial statements (including a balance sheet and profit and loss statements), statistical reports and other information Franchisor requests regarding Developer, its Controlled Affiliates and all Freshii Restaurants in the Development Area covering that month;

(2) within twenty (20) days following the end of each of Developer's fiscal quarters, reports in the format that Franchisor periodically specifies on Developer's progress on its business plan and Schedule and Developer's activities during the immediately preceding quarter, including Developer's activities in locating and developing sites and monitoring the development and operation of Freshii Restaurants, training activities and employee statistics;

(3) within sixty (60) days after the end of each of Developer's fiscal years, consolidated annual profit and loss and source and use of funds statements and a balance sheet regarding Developer, its Controlled Affiliates and all Freshii Restaurants in the Development Area as of the end of the previous fiscal year; and

(4) upon Franchisor's reasonable request, such other data, reports, information and supporting records for such periods as Franchisor periodically requires.

Developer agrees to verify and sign each report and financial statement in the manner that Franchisor periodically specifies. Franchisor may disclose data derived from these reports, including by creating reports on the financial results of Developer's (and its Controlled Affiliates') Freshii Restaurants and providing them to other existing or prospective Freshii Restaurant developers and franchisees, but Franchisor will not (without Developer's consent) disclose Developer's identity in connection with that data.

8. MARKS

8.A. OWNERSHIP AND GOODWILL OF MARKS

Developer's right to use the Marks is derived only from this Agreement and is limited to Developer's operating the Business according to this Agreement and the standards that Franchisor periodically specifies during the term of this Agreement. Developer's unauthorized use of the Marks is a breach of this Agreement and infringes Franchisor's (and its licensor's) rights in the Marks. Any use of the Marks relating to the Business, and any goodwill established by that use, are for Franchisor's (and its licensor's) exclusive benefit. This Agreement does not confer any goodwill or other interests in the Marks upon Developer, other than the right to use the Marks in operating the Business according to this Agreement. All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks that Franchisor periodically authorizes Developer to use. Developer may not at any time during or after the term of this Agreement contest or assist any other person in contesting the validity, or Franchisor's (or its licensor's) ownership, of the Marks.

8.B. LIMITATIONS ON USE OF MARKS

Developer agrees to use the Marks as the sole identification of the Business, subject to the notices of independent ownership that Franchisor periodically designates. Developer may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos that Franchisor has licensed to Developer), (3) in selling any services or products, (4) as part of any domain name, homepage, electronic address, metatag or otherwise in connection with any website or other online presence, or (5) in any other manner that Franchisor has not expressly authorized in writing. Developer may not use any Mark in advertising the transfer, sale or other disposition of the Business or any direct or indirect ownership interest in Developer without Franchisor's prior written consent, which Franchisor will not unreasonably withhold. Developer agrees to give the notices of trademark and service mark registrations that Franchisor periodically specifies and obtain any fictitious or assumed name registrations that applicable law requires.

Before using them, Developer must send Franchisor samples of all documents and other materials bearing any Mark that Developer intends to use in operating the Business. Developer may not use any documents or other materials bearing any Mark that Franchisor has not approved or has disapproved.

8.C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS

Developer agrees to notify Franchisor immediately of any actual or apparent infringement of or challenge to Developer's use of any Mark, or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. Developer agrees not to communicate with any person other than Franchisor and its licensor, their respective attorneys, and Developer's attorneys regarding any infringement, challenge or claim. Franchisor and its licensor may

take the action that they deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. Developer agrees to sign any documents and take any other reasonable actions that, in the opinion of Franchisor's or its licensor's attorneys, are necessary or advisable to protect and maintain Franchisor's (and its licensor's) interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's (and its licensor's) interests in the Marks.

8.D. DISCONTINUANCE OF USE OF MARKS

If Franchisor believes at any time that it is advisable for Franchisor and/or Developer to modify, discontinue using and/or replace any Mark, and/or use one or more additional or substitute trademarks or service marks, Developer agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor need not reimburse Developer for Developer's expenses in complying with these directions, for any loss of revenue due to any modified or discontinued Mark, or for Developer's expenses of promoting a modified or substitute trademark or service mark.

9. CONFIDENTIAL INFORMATION AND INNOVATIONS

9.A. CONFIDENTIAL INFORMATION

Franchisor and its affiliates possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to the development and operation of Freshii Restaurants (the "**Confidential Information**"), which includes:

- (1) site selection and market development plans, standards and criteria;
- (2) layouts, designs, and other plans and specifications for Freshii Restaurants;
- (3) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Freshii Restaurants;
- (4) marketing research and promotional, marketing and advertising programs for Freshii Restaurants;
- (5) knowledge of specifications for and suppliers of, and methods of ordering, certain operating assets, products, materials and supplies that Freshii Restaurants use and sell;
- (6) knowledge of the operating results and financial performance of Freshii Restaurants;
- (7) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;
- (8) all data and all other information generated by, or used or developed in, the operation of Freshii Restaurants; and
- (9) any other information that Franchisor reasonably designates as confidential or proprietary.

Developer will not acquire any interest in any Confidential Information, other than the right to use certain Confidential Information as Franchisor specifies in operating the Business during the term of this Agreement and according to the terms and conditions of this Agreement. Developer acknowledges that its use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees and developers. Developer acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's and its affiliates' trade secrets, and is disclosed to Developer only on the condition that Developer and its Owners agree, and it and they do agree, that Developer and its Owners:

- (a) will not use any Confidential Information in any other business or capacity and will keep the Confidential Information absolutely confidential, both during and after the term of this Agreement (afterward for as long as the information is not generally known in the restaurant industry);
- (b) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;
- (c) will adopt and implement all reasonable procedures that Franchisor periodically specifies to prevent unauthorized use or disclosure of Confidential Information, including disclosing it only to its personnel needing to know such Confidential Information to operate the Business, and requiring the Multi-Unit Managers and other employees of Developer that Franchisor periodically designates who will have access to such information to execute the non-competition and confidentiality agreement in the form attached as Exhibit D (the "**Confidentiality and Non-Competition Agreement**"). Developer shall provide Franchisor, at its request, executed originals of each such Confidentiality and Non-Competition Agreement; and
- (d) will not sell, trade or otherwise profit in any way from the Confidential Information, except during the term of this Agreement using methods that Franchisor has approved.

"**Confidential Information**" does not include information, knowledge or know-how which is or becomes generally known in the restaurant industry or which Developer knew from previous business experience before Franchisor provided it to Developer (directly or indirectly) or before Developer began training or operating the Business. If Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is applicable.

9.B. INNOVATIONS

All ideas, concepts, techniques or materials relating to a Freshii Restaurant ("**Innovations**"), whether or not protectable intellectual property and whether created by or for Developer or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a "work made-for-hire" for Franchisor, by this paragraph Developer assigns ownership of that item, and all related rights to that item, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents that Franchisor periodically requests to evidence Franchisor's ownership and to help Franchisor obtain intellectual property rights in the item. Developer may not use any Innovation in operating the Business or otherwise without Franchisor's prior approval.

10. EXCLUSIVE RELATIONSHIP

Developer acknowledges that Franchisor has granted Developer the rights under this Agreement in consideration of and reliance upon Developer's (and its Owners') agreement to deal exclusively with Franchisor with respect to the development and operation of restaurants providing the types of products and services that Freshii Restaurants offer. Developer therefore agrees that, during the term of this Agreement, neither Developer nor any of its Owners, nor any members of their Immediate Families (defined below), will:

- (a) have any direct or indirect, controlling or non-controlling interest as an owner - whether of record, beneficial or otherwise - in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not prohibit the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding;
- (b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business, wherever located or operating;
- (c) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, any Competitive Business or any owner, director, officer, manager, employee or agent of any Competitive Business, wherever located or operating; or
- (d) employ or seek to employ any individual who is, or within six (6) months of such employment or solicitation was, employed by Franchisor, its affiliate or its franchisee as a restaurant general manager, or otherwise directly or indirectly induce or attempt to induce any such individual to leave that employment, without Franchisor's or the employer's prior written consent.

The term "**Competitive Business**" means any business that (i) offers fresh, made-to-order meals (including salads, soups, and/or rice bowls, but excluding sandwiches) in a format that allows the customer to choose among various ingredients to create individual meal options; (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice establishment; and/or (iii) grants franchises or licenses to, or enters into joint ventures with, others to operate a business described in subsection (i) or (ii). A Freshii Restaurant operated under a franchise agreement with Franchisor is not a Competitive Business. The term "**Immediate Family**" includes the named individual, his or her spouse, and all children of the named individual or his or her spouse.

11. TRANSFER

11.A. TRANSFER BY FRANCHISOR

Developer represents that it has not signed this Agreement in reliance on any owner's, officer's or employee's remaining with Franchisor in that capacity. Franchisor may change its ownership or form and/or assign this Agreement without restriction. This Agreement will inure to the benefit of any transferee or other legal successor to Franchisor's interest in it. After Franchisor's assignment of this Agreement to a third party who expressly assumes Franchisor's obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of Franchisor and novation with respect to this Agreement, and the assignee shall be liable to Developer as if it had been an original party to this Agreement.

11.B. TRANSFER BY DEVELOPER

Developer acknowledges that the rights and duties this Agreement creates are personal to Developer and its Owners and that Franchisor has granted Developer the rights under this Agreement in reliance upon the character, skill, aptitude, business ability and financial capacity of Developer, the Operating Partner and Developer's other Owners. Therefore, Developer agrees that:

- (1) no ownership interest in Developer or in any entity that directly or indirectly holds a Controlling Interest (defined below) in Developer;
- (2) no obligations, rights or interest of Developer in (a) this Agreement, (b) any ownership interest in any Controlled Affiliate, or (c) all or substantially all of the assets of Developer; and
- (3) no right to receive all or a portion of the profits or losses of Developer, the Business, a Controlled Affiliate, or any Freshii Restaurant covered by this Agreement, nor any capital appreciation relating to Developer, the Business or any Freshii Restaurant covered by this Agreement

may be transferred without the prior written consent of Franchisor. A transfer of this Agreement may be made (subject to Franchisor's rights below) only with a transfer of all of Developer's rights and obligations under all Franchise Agreements signed by Developer and all ownership interests in all Controlled Affiliates held by Developer or any Owner of Developer. Any purported transfer in violation of this Section shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in the foregoing.

In this Agreement, the term “**transfer**” shall include the following, whether voluntary or involuntary, conditional, direct or indirect: (i) assignment, sale, gift or other disposition; (ii) the grant of a mortgage, charge, pledge, lien or security interest, including the grant of a collateral assignment; (iii) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (iv) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control (directly or indirectly) the operations or affairs of Developer; and (v) a management agreement whereby Developer delegates any of its obligations under this Agreement or any or all of the management functions with respect to the Business. In addition, a transfer (as defined above) will include any transfer by virtue of divorce; insolvency; dissolution of a business entity; will; intestate succession; declaration of or transfer in trust; or foreclosure, attachment, seizure or otherwise by operation of law.

Although an ownership interest in any entity that directly or indirectly hold an ownership interest, but not a Controlling Interest, in Developer may be transferred without Franchisor's prior written consent under this Section 11.B, Developer must (a) provide notice of any such transfer to Franchisor within ten (10) days after its completion, and (b) ensure that each new Owner as a result of any such transfer signs and delivers to Franchisor, within thirty (30) days after its completion, agreements in the forms that Franchisor periodically specifies undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Developer and Franchisor (or its affiliate) and all Franchise Agreements covered by this Agreement and any ancillary agreements between Developer (or the applicable Controlled Affiliate) and Franchisor (or its affiliate).

In this Agreement, the term “**Controlling Interest**” in a business entity means the greater of: (a) the percent of the voting shares or other voting rights in the entity that results from dividing one hundred percent (100%) of the ownership interests by the number of owners, with the determination of whether a “Controlling Interest” is involved being made as of both immediately before and immediately after the proposed transfer; or (b) twenty percent (20%) of the voting shares or other voting rights in the legal entity. In addition, regardless of whether the thresholds in (a) or (b) are satisfied, the effective control of the power to direct or cause the direction of an entity’s management and policies constitutes a Controlling Interest.

11.C. FRANCHISOR’S RIGHT TO APPROVE TRANSFERS

If Developer or any Owner intends to transfer any interest which, under Section 11.B, requires Franchisor’s prior written consent, Developer shall deliver to Franchisor written notice of such proposed transfer, with such detail as Franchisor reasonably specifies, at least thirty (30) days before its intended effective date. Franchisor shall have fifteen (15) days following delivery of such notice within which to evaluate the proposed transaction and to notify Developer of its approval or disapproval (with reasons) of the proposed transfer. Franchisor will not unreasonably withhold its approval. If approved, the transfer must take place in full compliance with all applicable laws, as described in the notice (as modified by any conditions imposed by Franchisor in granting its approval), and within thirty (30) days of the delivery of notice of Franchisor’s approval. Any new Owner must, as a condition of Franchisor’s approval of any transfer, sign Franchisor’s then current form of guarantee and assumption of Developer’s obligations under this Agreement and each Controlled Affiliate’s obligations under each Franchise Agreement.

11.D. CONDITIONS FOR APPROVAL OF CONTROL TRANSFERS

If any proposed transfer involves a transfer of this Agreement or a direct or indirect Controlling Interest in Developer, or is one of a series of transfers (regardless of the period of time over which these transfers take place) which in the aggregate transfer this Agreement or a direct or indirect Controlling Interest in Developer, then, without limiting Franchisor’s other rights (including under Sections 11.C and 11.G), Franchisor may also impose other reasonable conditions on its approval of the proposed transfer, including that:

- (1) the proposed transferee and its owners demonstrate that they have sufficient business experience, aptitude and financial resources to develop and operate Freshii Restaurants in accordance with the requirements of this Agreement and all Franchise Agreements covered by this Agreement;
- (2) neither the transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in or performs services for a Competitive Business;
- (3) Developer, the transferring Owner or the proposed purchaser pay a transfer fee of Ten Thousand Dollars (\$10,000.00) to Franchisor;
- (4) if any part of the sale price is financed by the transferor, the transferor agrees, in a manner satisfactory to Franchisor, that all obligations of the purchaser under any promissory notes, agreements or security interests reserved by the transferor be subordinate to any obligations of the purchaser to pay amounts then or thereafter due Franchisor and its affiliates and all interests of Franchisor or its designee in connection with any right of first refusal or purchase option;
- (5) Franchisor determines that the purchase price and payment terms will not adversely affect the operation of the Business;

(6) Developer and the transferring Owners sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective owners, officers, directors, employees and agents, for matters arising on or before the effective date of the transfer;

(7) Developer or, if applicable, the transferring Owners (and members of their Immediate Families) sign a noncompetition undertaking in favor of Franchisor and the transferee, which undertaking shall contain the restrictions in Section 13.D below;

(8) any new Operating Partner is reasonably acceptable to Franchisor and completes to Franchisor's satisfaction Franchisor's then current training program; and

(9) the transferee and each of its owners (if the transfer is of this Agreement) or Developer and its Owners (if the transfer is of a direct or indirect Controlling Interest in Developer) agrees, at Franchisor's option, to (a) be bound by all terms and conditions of this Agreement for the remainder of the term, or (b) sign Franchisor's then current form of standard development agreement and related documents for Freshii Restaurant development, which may contain provisions materially different from those contained in this Agreement, except that the term of such development agreement shall be the remaining term of this Agreement.

11.E. DEATH OR INCAPACITY

Upon the death or permanent incapacity of an Owner of Developer, all of such person's direct or indirect interest in Developer must be transferred to a transferee approved by Franchisor within a reasonable time, not to exceed nine (9) months from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to transfers contained in this Section 11. Failure to so transfer such ownership interest within such period of time shall constitute a breach of this Agreement.

11.F. EFFECT OF CONSENT TO TRANSFER

Franchisor's consent to a transfer under this Section 11 is not a waiver of any claims it might have against Developer (or its Owners), nor a waiver of Franchisor's right to demand Developer's (or the transferee's) full compliance with this Agreement. Franchisor's approval of any proposed transfer indicates only that the transferee meets, or that Franchisor has waived, Franchisor's then current criteria for developers and is not a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale or of the successful operation or profitability of the transferee.

11.G. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Developer or any of its Owners at any time determines to sell or transfer for consideration an interest in this Agreement and the Business (or all or substantially all of its assets) or a direct or indirect Controlling Interest in Developer, whether in one transfer or a series of related transfers (except to or among Developer's Owners as of the Agreement Date or in a transfer pursuant to Section 11.E, which are not subject to this Section 11.G), Developer agrees to obtain from a responsible and fully disclosed buyer, and send Franchisor, a true and complete copy of a bona fide, executed written offer (which may be a letter of intent) relating exclusively to this Agreement and the Business or direct or indirect Controlling Interest in Developer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price and must provide for an earnest money deposit of at least ten percent (10%) of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments) and the proposed transaction must relate exclusively to an interest in this

Agreement and the Business (or all or substantially all of its assets) or a direct or indirect Controlling Interest in Developer and not to any other interests or assets. Franchisor may require Developer (or its Owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Franchisor may, by delivering written notice to Developer within thirty (30) days after Franchisor receives both an exact copy of the offer and all other information that Franchisor requests, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) Franchisor may substitute cash for any form of payment proposed in the offer; (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than thirty (30) days after notifying Developer of Franchisor's election to purchase or, if later, the closing date proposed in the offer; and (4) Franchisor must receive, and Developer and its Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Business prior to the closing of Franchisor's purchase. If Franchisor exercises its right of first refusal, Developer and its transferring Owners agree that, for two (2) years beginning on the closing date, Developer or the transferring Owners (and members of their Immediate Families) will be bound by the non-competition covenants contained in Section 13.D.

If Franchisor does not exercise its right of first refusal, Developer or its Owner(s) may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor approves the transfer as provided in this Section 11. If Developer or its Owners do not complete the sale to the proposed buyer within sixty (60) days after Franchisor notifies Developer that Franchisor does not intend to exercise its right of first refusal, or if there is a material change in the terms of the sale (which Developer agrees to tell Franchisor promptly), Franchisor will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's option. Franchisor has the unrestricted right to assign this right of first refusal to a third party (including an affiliate), who then will have the rights described in this Section 11.G.

12. TERMINATION OF AGREEMENT

12.A. TERMINATION BY DEVELOPER

If Developer is fully complying with this Agreement, and Franchisor materially fails to comply with this Agreement and does not, within thirty (30) days after Developer delivers written notice of the failure to Franchisor, either correct the failure or, if Franchisor cannot reasonably correct the failure within thirty (30) days, give Developer reasonable evidence of Franchisor's effort to correct the failure within a reasonable time, then Developer may terminate this Agreement effective an additional thirty (30) days after Developer delivers to Franchisor written notice of termination. Developer's termination of this Agreement other than according to this Section 12.A will be deemed a termination without cause and a breach of this Agreement.

12.B. TERMINATION BY FRANCHISOR

Without limiting Franchisor's termination and other rights and remedies under any other agreement with Developer or its affiliates, including Franchise Agreements, Franchisor may terminate this Agreement, effective upon delivery of written notice of termination to Developer, if:

- (1) Developer or any of its Owners has made or makes a material misrepresentation or omission in acquiring the rights under this Agreement or operating the Business;
- (2) the Operating Partner does not satisfactorily complete the initial executive training program;
- (3) Developer commits two (2) Development Defaults in successive Development Periods, or three (3) Development Defaults at any time during the term of this Agreement, or fails to cure any Development Default in accordance with Section 5.E within sixty (60) days after the end of the Development Period with respect to which the Development Default occurred;
- (4) Developer or any of its Owners is convicted by a trial court of, or pleads no contest to, a felony;
- (5) Developer or any of its Owners engages in any dishonest, unethical or illegal conduct which, in Franchisor's reasonable opinion, adversely affects or might adversely affect the reputation of the Business, the reputation of other Freshii Restaurants or the goodwill associated with the Marks;
- (6) Developer or any of its Owners makes or attempts to make a transfer in violation of this Agreement;
- (7) any Franchise Agreement or other agreement between Franchisor (or any of its affiliates) and Developer (or any of its Owners, Controlled Affiliates or other affiliates) is terminated before its term expires, regardless of the reason;
- (8) Developer or any of its Owners breaches Section 10 of this Agreement or knowingly makes any unauthorized use or disclosure of any Confidential Information;
- (9) Developer fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any one or more obligations under this Agreement, whether or not any of these failures are corrected after Franchisor delivers written notice to Developer and whether these failures involve the same or different obligations under this Agreement;
- (10) Developer or any of its owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after Franchisor delivers written notice to Developer;
- (11) Developer makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Developer consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its property; the Business or any of the assets of the Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of Developer or the Business is not vacated within thirty (30) days following the order's entry; or

(12) Developer fails to comply with any other provision of this Agreement and does not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Developer.

12.C. EFFECT OF TERMINATION

The termination of this Agreement shall not, without more, be grounds for the termination of any Franchise Agreement signed before the effective date of the termination of this Agreement. However, nothing in this Agreement shall limit any party's right to terminate any such Franchise Agreement, including the right to terminate any such Franchise Agreement due to any event, cause or default which also forms the basis or grounds of the termination of this Agreement.

13. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

13.A. PAYMENT OF AMOUNTS OWED

Developer agrees to pay within fifteen (15) days after this Agreement expires or is terminated, or on any later date that the amounts due are determined, all amounts owed to Franchisor or its affiliates which then are unpaid, including Franchisor's damages arising from the termination of this Agreement.

13.B. DE-IDENTIFICATION

When this Agreement expires or is terminated for any reason, and except with respect to Franchise Agreements between Franchisor and Developer or its Controlled Affiliate then in effect, Developer shall:

- (1) have no further rights to develop Freshii Restaurants;
- (2) not directly or indirectly at any time thereafter or in any manner: (a) identify itself or any business as a current or former Freshii Restaurant developer or as otherwise currently or formerly associated with Franchisor; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or any other indicia of a Freshii Restaurant in any manner or for any purpose; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with Franchisor;
- (3) promptly take the action required to cancel all fictitious or assumed name or equivalent registrations relating to its use of any Mark; and
- (4) promptly deliver to Franchisor all advertising, marketing and promotional materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Freshii Restaurant or the development of Freshii Restaurants.

13.C. CONFIDENTIAL INFORMATION

When this Agreement expires or is terminated, except with respect to Franchise Agreements between Franchisor and Developer or its Controlled Affiliate then in effect, Developer agrees to immediately cease using any Confidential Information in any business or otherwise and return to Franchisor all confidential materials that Franchisor has loaned Developer. Developer may not sell, trade or otherwise profit in any way from any Confidential Information at any time following the expiration or termination of

this Agreement, except under Franchise Agreements between Franchisor and Developer or its Controlled Affiliate then in effect.

13.D. COVENANT NOT TO COMPETE

Upon expiration or termination of this Agreement for any reason (other than pursuant to Section 12.A), and except with respect to Franchise Agreements between Franchisor and Developer or its Controlled Affiliate then in effect, Developer agrees that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 13.D begin to comply fully with this Section 13.D, whichever is later, neither Developer nor any of its Owners, nor any member of their Immediate Families, will:

(1) have any direct or indirect, controlling or non-controlling interest as an owner – whether of record, beneficial or otherwise – in any Competitive Business which is located or operating:

(a) within the Development Area; or

(b) within three (3) miles of any other Freshii Restaurant in operation or under construction on the effective date of the termination or expiration,

provided that this restriction will not prohibit the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding; or

(2) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business which is located or operating:

(a) within the Development Area, or

(b) within three (3) miles of any other Freshii Restaurant in operation or under construction on the later of the effective date of the termination or expiration.

These restrictions also apply after transfers and other events, as provided in Section 11 above. Developer (and each of its Owners) expressly acknowledges that it (and they) possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcing the covenants made in this Section 13.D will not deprive them of personal goodwill or the ability to earn a living.

13.E. CONTINUING OBLIGATIONS

All of Franchisor's and Developer's (and its Owners') obligations hereunder which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

14. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

14.A. INDEPENDENT CONTRACTORS

This Agreement does not create a fiduciary relationship between Developer and Franchisor. Developer has no authority, express or implied, to act as an agent of Franchisor or any of its affiliates for any purpose. Developer is, and shall remain, an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Business and its assets, including any personal property, equipment, fixtures or real property and for all claims or demands based on damage to or destruction of property or based on injury, illness or death of any person or persons, directly or indirectly, resulting from the operation of the Business. Further, Franchisor and Developer are not and do not intend to be partners, joint venturers, associates, or joint employers in any way, and Franchisor shall not be construed to be jointly liable for any of Developer's acts or omissions under any circumstances. Franchisor has no relationship with Developer's employees and Developer has no relationship with Franchisor's employees. Developer agrees to identify itself conspicuously in all dealings with suppliers, public officials, Business personnel and others as the owner of the Business under a license that Franchisor has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials that Franchisor requires from time to time.

14.B. NO LIABILITY FOR ACTS OF OTHER PARTY

Franchisor and Developer agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than licensor and licensee. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Business.

14.C. TAXES

Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon Developer or the Business, due to the business Developer conducts (except any taxes Franchisor is required by law to collect from Developer for purchases from Franchisor and Franchisor's income taxes). Developer is responsible for paying such taxes.

14.D. INDEMNIFICATION

To the fullest extent permitted by law, Developer agrees to indemnify, defend and hold harmless Franchisor, its affiliates and their respective owners, directors, officers, employees, agents, representatives, successors and assigns (the **"Indemnified Parties"**) from and against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, losses, obligations and damages directly or indirectly arising out of or relating to: (1) the operation of the Business, (2) Developer's breach of this Agreement or any other agreement with Franchisor or its affiliate, or (3) noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the Business, including those claims, obligations and damages alleged to be caused by an Indemnified Party's negligence or willful misconduct, except as specifically set forth below in this Section 14.D.

For purposes of this indemnification, **"claims"** include all losses, expenses, obligations, and damages (actual, consequential, punitive or otherwise) and costs that an Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend and control

the defense of any claim against it which is subject to this indemnification at Developer's expense, and Developer may not settle any claim or take any other remedial, corrective or similar actions relating to any claim without the consent of the Indemnified Party. The provisions of this Section 14.D will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Developer. Developer agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Developer.

Notwithstanding the foregoing, Developer has no obligation to indemnify under this Section 14.D if a court of competent jurisdiction makes a final decision not subject to further appeal that Franchisor, its affiliate, or any of their respective employees directly engaged in willful misconduct or intentionally caused the property damage or bodily injury that is the subject of the claim, so long as the claim is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or Franchisor's failure to compel Developer to comply with this Agreement, which are claims for which Franchisor is entitled to indemnification under this Section 14.D.

15. ENFORCEMENT

15.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in Section 15.F or otherwise in this Agreement, each Section, Subsection, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, arbitrator, agency or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Developer and Franchisor agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of the termination of this Agreement or of Franchisor's refusal to enter into a successor or renewal agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Developer agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

15.B. WAIVER OF OBLIGATIONS AND FORCE MAJEURE

Franchisor and Developer may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. However, no interpretation, change, termination or waiver of any provision of this Agreement shall be binding upon Franchisor unless it is in writing and signed by one of its officers and is specifically identified as an amendment to this Agreement. No modification, waiver, termination, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, discharge or cancellation. Any waiver Franchisor grants

will be without prejudice to any other rights it has, will be subject to its continuing review, and may be revoked at any time and for any reason, effective upon delivery to Developer of ten (10) days' prior written notice.

Franchisor and Developer will not be deemed to waive or impair any right, power or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with the terms of this Agreement; Franchisor's or Developer's failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Freshii Restaurant developers; the existence of other development agreements for Freshii Restaurants which contain provisions different from those contained in this Agreement; or Franchisor's acceptance of any payments due from Developer or its Controlled Affiliates after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, and it shall have no effect.

Neither Franchisor nor Developer will be liable for loss or damage or be in breach of this Agreement (including Developer's obligation to comply with the Schedule) if its failure to perform its obligations results from: (1) acts of God; (2) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (3) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or amounts due afterward.

15.C. COSTS AND ATTORNEYS' FEES

If either Franchisor or Developer seeks to enforce this Agreement in an arbitration, judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses) incurred in connection with such arbitration, judicial or other proceeding.

15.D. DEVELOPER MAY NOT WITHHOLD PAYMENTS

Developer agrees that Developer will not withhold payment of any amounts owed to Franchisor or its affiliates on the grounds of Franchisor's or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

15.E. RIGHTS OF PARTIES ARE CUMULATIVE

Franchisor's and Developer's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by law to enforce.

15.F. ARBITRATION

All controversies, disputes or claims between Franchisor (and its affiliates and their respective owners, officers, directors, agents and employees, as applicable) and Developer (and its affiliates and their respective owners, officers, and directors, as applicable) arising out of or related to:

(1) this Agreement or any other agreement between Developer (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements;

(2) Franchisor's relationship with Developer; or

(3) the scope or validity of this Agreement or any other agreement between Developer (or its Owners or affiliates) and Franchisor (or its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Section, which Franchisor and Developer acknowledge is to be determined by an arbitrator, not a court)

will be submitted for arbitration to the American Arbitration Association. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator within ten (10) miles of Franchisor's then existing principal business address. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs in accordance with Section 15.C above, provided that: (a) the arbitrator shall not have authority to declare any Mark generic or otherwise invalid; and (b) subject to the exceptions in Section 15.I, Franchisor and Developer waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, and treble and other forms of multiple damages against the other. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. Franchisor and Developer further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Developer or Franchisor.

Franchisor and Developer agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only Franchisor (and its affiliates and their respective owners, officers, directors, agents and employees, as applicable) and Developer (and its affiliates and their respective owners, officers and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person. Notwithstanding the foregoing or anything to the contrary in this Section or Section 15.A, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 15.F, then Franchisor and Developer agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this Section 15 (excluding this Section 15.F).

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Notwithstanding anything to the contrary contained in this Section 15.F, Franchisor and Developer have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, Franchisor and Developer agrees to contemporaneously submit Franchisor's dispute for arbitration on the merits according to this Section 15.F. Furthermore, nothing in this Section 15.F shall limit either party's right to deliver a notice of default under, and terminate, this Agreement in accordance with Section 12.

15.G. GOVERNING LAW

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to:

- (1) this Agreement or any other agreement between Developer (or its Owners or affiliates) and Franchisor (or its affiliates);
- (2) Franchisor's relationship with Developer; or
- (3) the validity of this Agreement or any other agreement between Developer (or its Owners or affiliates) and Franchisor (or its affiliates)

will be governed by the laws of Ontario, Canada, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 15.G.

15.H. CONSENT TO JURISDICTION

Subject to the arbitration obligations in Section 15.F, Developer and its Owners agree that all judicial actions brought by Franchisor against Developer or its Owners, or by Developer or its Owners against Franchisor, its affiliates or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor then maintains its principal business address. Developer and each of its owners irrevocably submit to the jurisdiction of such courts and waive any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Developer resides or the Business premises is located.

15.I. WAIVER OF PUNITIVE DAMAGES

EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS UNDER SECTION 14.D AND CLAIMS BASED ON UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND DEVELOPER (AND ITS OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND DEVELOPER (AND/OR ITS OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

15.J. WAIVER OF JURY TRIAL

FRANCHISOR AND DEVELOPER (AND ITS OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

15.K. BINDING EFFECT

This Agreement is binding upon Franchisor and Developer and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. This Agreement may not be modified except by a written agreement signed by both Developer and Franchisor.

15.L. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS ARISING FROM DEVELOPER'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS THAT DEVELOPER OWES FRANCHISOR, ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND DEVELOPER WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE APPROPRIATE FORUM WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

15.M. CONSTRUCTION

The preambles and exhibits are a part of this Agreement, which, together with any riders or addenda signed at the same time as this Agreement, constitutes Franchisor's and Developer's entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between Franchisor and Developer relating to the subject matter of this Agreement. There are no other oral or written representations, warranties, understandings or agreements between Franchisor and Developer relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Developer or its representative. Any policies that Franchisor adopts and implements from time to time to guide it in its decision-making are subject to change, are not a part of this Agreement and are not binding on Franchisor. Except as provided in Sections 14.D and 15.F, nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

The headings of the sections and paragraphs are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Agreement to "**Franchisor**" with respect to all of its rights and all of Developer's obligations to Franchisor under this Agreement include any of Franchisor's affiliates with whom Developer deals in connection with the Business. The term "**affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. "**Control**" means the power to direct or cause the direction of management and policies.

The term "**person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The words "**include**," "**including**," and words of similar import shall be interpreted to mean "including, but not limited to" and the terms following such words shall be interpreted as examples of, and not an

exhaustive list of, the appropriate subject matter. This Agreement may be executed in multiple copies, each of which will be deemed an original.

15.N. THE EXERCISE OF FRANCHISOR'S JUDGMENT

Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Developer a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and its judgment of what is in the best interests of Franchisor, the Freshii Restaurant network generally, or the Freshii Restaurant franchise operating system at the time Franchisor's decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether Franchisor's decision promotes its or its affiliates' financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Developer's actions or requests, Franchisor has the absolute right to refuse any request Developer makes or to withhold Franchisor's approval of any of Developer's proposed, initiated or completed actions that require Franchisor's approval.

16. NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement will be deemed so delivered:

- (1) one (1) business day after transmission by telecopy, facsimile or other electronic system if the sender has confirmation of successful transmission;
- (2) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or
- (3) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice.

17. ELECTRONIC MAIL

Developer acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that Franchisor and Developer may utilize e-mail for such communications. Developer authorizes the transmission of e-mail by Franchisor and its employees, vendors, and affiliates ("**Official Senders**") to Developer during the term of this Agreement.

Developer further agrees that: (a) Official Senders are authorized to send e-mails to Instructors and those of Developer's other employees as Developer may occasionally authorize for the purpose of communicating with Franchisor; (b) Developer will cause its officers, directors and other employees to give their consent to Official Senders' transmission of e-mails to them; (c) Developer will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is associated with Developer; and (d) Developer will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

The consent given in this Section 17 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 16 using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISOR:

FRESHII DEVELOPMENT, LLC

a Delaware limited liability company

By: _____

Name: Peter Mammias

Title: CEO

DEVELOPER:

a _____ limited liability
company/corporation

By: _____

Name: _____

Title: _____

Or if individually

Name: _____

EXHIBIT A
to the
FRESHII™ RESTAURANT AREA DEVELOPMENT AGREEMENT

SCHEDULE AND DEVELOPMENT FEE

Developer agrees to open _____ () Freshii Restaurants within the Development Area (besides the Freshii Restaurants already located in the Development Area, if any) in each twelve (12) month period (each a “**Development Period**”) described below according to the following Schedule:

End of Development Period	Cumulative Number of New Freshii Restaurants To Be Opened and Operating By End of Development Period *Does not include applicable taxes which will be applied
First anniversary of Agreement Date	
Second anniversary of Agreement Date	
Third anniversary of Agreement Date	
Fourth anniversary of Agreement Date	

Total: _____

The Development Fee is \$ _____.

FRANCHISOR:
FRESHII DEVELOPMENT, LLC
Franchisor

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER:

Developer

By: _____
Name: _____
Title: _____

Or if individually

Name: _____

EXHIBIT B
to the
FRESHII™ RESTAURANT AREA DEVELOPMENT AGREEMENT

DEVELOPMENT AREA

The Development Area is defined as the entire territory encompassed by _____ in the State of _____. If the Development Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Agreement Date, notwithstanding any political reorganization or change to the boundaries. The Development Area is depicted on the map attached to this Exhibit B. However, if there is an inconsistency between the language in this Exhibit B and the attached map, the language in this Exhibit B shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.

FRANCHISOR:
FRESHII DEVELOPMENT, LLC

DEVELOPER:

By: _____
Name: Peter Mammias
Title: CEO

By: _____
Name: _____
Title: _____

Or if individually

Name: _____

MAP OF DEVELOPMENT AREA

EXHIBIT C
to the
FRESHII™ RESTAURANT AREA DEVELOPMENT AGREEMENT

DEVELOPER AND ITS OWNERS

**Effective Date: This Exhibit C is current and complete
as of _____**

1. **Form of Developer.** Developer was incorporated or formed on _____, 20__, under the laws of the State of _____. Developer has not conducted business under any name other than Developer's corporate, limited liability company, or partnership name and _____. The following is a list of Developer's directors or managers (if applicable) and officers as of the effective date shown above:

<u>Name</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____

2. **Owners.** The following list includes the full name of each person who is one of Developer's direct or indirect Owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Description of Interest</u>
(a)	_____	_____
(b)	_____	_____

3. **Operating Partner.** Developer's Operating Partner is _____.

FRANCHISOR:

FRESHII DEVELOPMENT, LLC
a Delaware limited liability company

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER:

a _____ limited liability
company/corporation

By: _____
Name: _____
Title: _____

Or if individually

Name: _____

EXHIBIT D
to the
FRESHII™ RESTAURANT AREA DEVELOPMENT AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

WHEREAS, the undersigned (the “**Undersigned**”) is a current or prospective Operating Partner and/or employee of one or more developers or franchisees (each a “**Related Party**”) of **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company (the “**Company**”);

WHEREAS, the Undersigned has been or may be given access to certain confidential and proprietary information of the Company and/or its Related Parties previously not available to the Undersigned;

WHEREAS, the Related Party signatory hereto is only willing to commence or continue its relationship with Undersigned in the event Undersigned enters into this Agreement; and

WHEREAS, the Related Party signatory hereto has entered into this Agreement with the Undersigned in order to ensure the confidentiality of Proprietary Information (defined below) in accordance with the terms of this Agreement, to ensure that the Undersigned does not utilize such information to compete with the Company or unfairly disadvantage the Company, and/or to protect the investment made by the Related Party signatory hereto in the training and instruction of its employees.

NOW, THEREFORE, the Undersigned hereby agrees as follows:

1. **Recitals.** The recitals set forth above are incorporated herein by this reference and shall be part of this Agreement.

2. **Proprietary Information.** As used in this Agreement, the term “**Proprietary Information**” shall mean the business concepts, information about types and suppliers of equipment, operating techniques, menu and ingredient information, marketing methods, financial information, demographic and trade area information, prospective site locations, market penetration techniques, plans, schedules, customer profiles, preferences, statistics, franchisee composition, territories, and development plans, and all related trade secrets or confidential or proprietary information treated as such by the Company and/or the Related Party signatory hereto, as the case may be, whether by course of conduct, by letter or report, by the inclusion of such information in the Company’s operations manuals or similar documents, or by the use of any appropriate proprietary stamp or legend designating such information or item to be confidential or proprietary, by any communication to such effect made prior to or at the time any such Proprietary Information is disclosed to the Undersigned, or otherwise.

3. **Use and Disclosure of Proprietary Information.** The Undersigned shall hold all Proprietary Information in strict confidence and shall use such Proprietary Information only for the benefit of the Company and/or the Related Party. The Undersigned shall not disclose Proprietary Information to any other person or entity. The obligations hereunder to maintain the confidentiality of Proprietary Information shall not expire. However, these obligations shall not apply to any Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, which (a) is disclosed in a printed publication available to the public, or is otherwise in the public domain through no act of the Undersigned or any other person or entity which has received such Proprietary Information from or through the Undersigned, (b) is approved for release by written authorization of an officer of the Company, or (c) is required to be disclosed by proper order of a court of applicable jurisdiction after adequate notice to the Company and/or the Related Party signatory hereto, as the case may be, sufficient to

permit them to seek a protective order therefor, the imposition of which protective order the Undersigned agrees to approve and support.

4. **Return of Documents.** The Undersigned shall, upon the request of the Company and/or the Related Party signatory hereto, as the case may be, return all documents and other tangible manifestations of Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, including all copies and reproductions thereof.

5. **Noncompete.** During the term of employment of the Undersigned (it being understood and acknowledged that the Undersigned is employed at will and may be terminated at any time by the Related Party signatory hereto) and for six (6) months thereafter, the Undersigned agrees (a) not to have any direct or indirect, controlling or non-controlling interest as an owner (whether of record, beneficial or otherwise) in, or perform services as a director, officer, manager, employee, consultant, representative or agent for, a Competitive Business (defined below) located or operating within any standard metropolitan statistical area or other trade area in which the Related Party signatory hereto is engaged, or has developed specific plans to engage, in business, and (b) agrees not to solicit employees from the Company or the Related Party signatory hereto. The term “**Competitive Business**” means any business that (i) offers fresh, made-to-order meals (including salads, soups, and/or rice bowls, but excluding sandwiches) in a format that allows the customer to choose among various ingredients to create individual meal options; (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice establishment; and/or (iii) grants franchises or licenses to, or enters into joint ventures with, others to operate a business described in subsection (i) or (ii). This Section 5 shall not prevent the Undersigned from investing so as to hold less than three percent (3%) of the outstanding shares of any company which is a “reporting company” under the Securities Exchange Act of 1934, as amended. It is the intention of the parties that this Section 5 be interpreted so as to be valid under applicable law and, if required for validity, any court or applicable tribunal may reduce or alter the geographic scope and duration of this Section 5, by substitution of words or otherwise, so as to create the broadest permissible protection to the Company and the Related Party signatory hereto.

6. **No Waiver.** No delays or omissions by the Company or the Related Party signatory hereto in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company and/or the Related Party signatory hereto, as the case may be, on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7. **Equitable Relief.** The undersigned acknowledges that the Company and/or the Related Party signatory hereto, as the case may be, will be irreparably harmed by any breach hereof, that monetary damages would be inadequate and that the Company and/or the Related Party signatory hereto shall have the right to have an injunction or other equitable remedies imposed in relief of, or to prevent or restrain, such breach. The Undersigned agrees that the Company and/or the Related Party signatory hereto shall also be entitled to any and all other relief available under law or equity for such breach.

8. **Miscellaneous.**

a. This Agreement shall not be construed to grant to the Undersigned any patents, licenses, or similar rights to Proprietary Information disclosed to the Undersigned hereunder, all of which rights and interests shall be deemed to reside or be vested in the Company.

b. This Agreement does not supersede, but rather is in addition to and cumulative with, all prior agreements, written or oral, between the parties relating to the subject matter of this

Agreement. This Agreement may not be modified, changed or discharged, in whole or in part, except by an Agreement in writing signed by the parties.

c. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

e. This Agreement shall be construed and interpreted in accordance with the laws of Ontario, Canada, without regard to its conflicts of laws rules.

EXECUTED on this ____ day of _____, 20__

FRESHII DEVELOPMENT, LLC

Franchisor

By: _____

Name: Peter Mammias

Title: _____

Developer

By: _____

Name: _____

Title: _____

Or if individually

Name: _____

UNDERSIGNED:

Signature

Print Name

EXHIBIT E
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (the “**Agreement**”) on this date by **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company (“**Franchisor**”), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that _____ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, but not limited to, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any extensions of its term or the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including, without limitation, any extensions of its term), for so long as any performance is or might be owed under the Agreement by Developer or any of its owners, and for so long as Franchisor has any cause of action against Developer or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any indebtedness by Developer to the undersigned, for whatever reason, whether currently existing or hereafter arising, shall at all times be inferior and subordinate to any indebtedness owed by Developer to Franchisor or its affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned’s execution of and performance under this Guaranty; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations as to or relating to this Guaranty.

If Franchisor seeks to enforce this Guaranty in an arbitration, judicial or other proceeding, and prevails in such proceeding, Franchisor shall be entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys’ fees, arbitrators’ fees, and expert witness fees, costs of

investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses) incurred in connection with such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Subject to the arbitration obligations (as set forth in the Agreement) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor then maintains its principal business address, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM.

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

GUARANTOR(S)

PERCENTAGE OF OWNERSHIP IN DEVELOPER

Name: _____

_____%

Name: _____

_____%

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
STATE SPECIFIC ADDENDUM**

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF CALIFORNIA**

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

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

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

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

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Area Development Agreement and Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The Area Development Agreement and Franchise Agreement require application of the laws of Ontario, Canada, with certain exceptions. These provisions might not be enforceable under California law.

Arbitration. The Area Development Agreement and Franchise Agreement require binding arbitration. The arbitration will occur at a suitable site that the arbitrator chooses in Ontario, Canada, with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Area Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT

**ADDENDUM TO THE FRESHII DEVELOPMENT, LLC DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT**

REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT

**STATE ADDENDUM TO THE FRESHII DEVELOPMENT, LLC
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND
AREA DEVELOPMENT AGREEMENT FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.
2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 18 of the Franchise Agreement and Section 15 of the Area Development Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF MARYLAND**

1. The following language is added to the beginning of Item 4 of the Area Development Agreement, Article 6.A. of the Franchise Agreement, and Item 5 of the Disclosure Document:

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. In addition, all development fees and initial payments by area developer shall be deferred until the first franchise under the area development agreement opens.

2. The "Summary" sections of Items 17(c) and 17(m) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" sections of Item 17(h) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

4. The "Summary" sections of Item 17(v) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Subject to arbitration requirements, litigation generally must be in Ontario, Canada, although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" sections of Item 17(w) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Except for Federal Arbitration Act, other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, Illinois law governs.

6. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Area Development Agreement or Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY 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 franchises.
- (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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammas
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Witness

Or if individually

Name: _____

EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF MINNESOTA

1. The last paragraph of Item 13 of the Disclosure Document is deleted and replaced with the following:

If you have complied with all of our requirements that apply to the Marks, we will protect your right to use the principal Mark and indemnify you from any loss, costs, or expenses arising out of any claims, suits, or demands regarding your use of the principal Mark, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12. Subd. 1(g).

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

For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the franchise agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable, and subject to your arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

Minnesota Rule Part 2860.4400J prohibits a franchisee in certain cases from waiving rights to a jury trial; waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in the agreements to the extent the law allows.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

By: _____

Witness

Name: _____

Title: _____

Or if individually

Witness

Name: _____

EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national

securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammas
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Sections 13.D.(8), 14(iii) and 16.E.(3) of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, 16.D of the Franchise Agreement and Article 13.D of the Area Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Section 16.A of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 18 of the Franchise Agreement and Article 15 of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 18.G of the Franchise Agreement and Article 15.G of the Area Development Agreement which require jurisdiction of courts in Ontario, Canada are deleted.

6. Item 17(w) of the Disclosure Document, Article 18.H of the Franchise Agreement and Article 15.H of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 18.I of the Franchise Agreement and Article 15.I of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 18.L of the Franchise Agreement and Article 15.L of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT F TO THE AREA DEVELOPMENT AGREEMENT
DISCLOSURE REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

1. The following is added to the State Cover Page of the Franchise Disclosure Document:

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME SINCE FEBRUARY 2008. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

2. The "Summary" section of Item 17(h) of Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

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 or area development 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 given right to him under the franchise. If any provision of the franchise agreement or area development 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammas
Title: CEO

DEVELOPER

Witness

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT F TO THE DISCLOSURE DOCUMENT
WASHINGTON ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT,
FRANCHISE COMPLIANCE CERTIFICATION, AND RELATED AGREEMENTS.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance (“AOD”) with the State of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about the entry of the AOD. The franchisor has complied with all such requirements. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor.

Item 5 of the Franchise Disclosure Document and relevant provisions of the Franchise Agreement are revised such that, for franchises established in the state of Washington, we will not require or accept the payment of any initial franchise fees until the franchisee (a) has received all initial training that it is entitled to under the franchise agreement, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____ 20_____.

Franchisor

Franchisee

EXHIBIT C

MULTI-UNIT SITE SELECTION AGREEMENT

FRESHII DEVELOPMENT, LLC

MULTI-UNIT SITE SELECTION AGREEMENT

THIS MULTI-UNIT SITE SELECTION AGREEMENT (“Agreement”) is made and entered into on _____ (“**Effective Date**”), between FRESHII DEVELOPMENT, LLC, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (hereinafter “**Franchisor**”), and _____ whose principal address is _____ (hereinafter “**Franchisee**”).

W I T N E S S E T H:

WHEREAS, Franchisor has developed and owns a unique and distinctive format and system relating to the establishment and operation of “Freshii Restaurants” featuring healthy meals such as salads, rice bowls, wraps, oatmeal, fresh and frozen yogurt, healthy portable snacks and beverages, prepared in accordance with Franchisor’s recipes and specifications (the “**System**”);

WHEREAS, Franchisor identifies the System by means of certain trademarks, trade names, logos, emblems, and indicia of origin for use in connection with the System (“**Marks**”);

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION I
GRANT OF RIGHTS

1.1 Franchisor hereby grants to Franchisee, pursuant to the terms and conditions of this Agreement, certain rights to establish and operate [NUMBER] franchised Restaurants within _____ (the “**Site-Selection Area**”) (hereinafter referred to as the “**Rights**”). Notwithstanding the foregoing, and in the interests of clarity, Franchisee’s rights to the Site-Selection Area are non-exclusive.

1.2 Franchisee acknowledges and agrees that the Rights granted hereunder are subject to:

1.2.1 The Parties ability to mutually agree upon suitable locations within the Site-Selection Area for the franchised Restaurants.

1.2.2 The Parties ability to execute separate Franchise Agreements for each franchised Restaurant in the Site-Selection Area (such Franchise Agreements to be substantially in the form attached hereto).

1.2.3. Franchisee using the System solely in connection with the aforementioned franchised Restaurants at the specific locations designated in the separate Franchise Agreements.

1.2.4 Franchisee’s strict adherence to the schedule established in Exhibit “A” of this Agreement (hereinafter “**Minimum Performance Schedule**”).

1.3 Franchisee acknowledges and agrees that:

1.3.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to Franchisor for its approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by

Franchisor to Franchisee of any rights to use the Marks, the System, or to open or operate any Restaurants. Franchisee shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by Franchisee and Franchisor and only in accordance with the terms of each Franchise Agreement.

1.3.2 The Rights granted hereunder are personal to Franchisee and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section VI hereof. Furthermore, Franchisee shall at no time have the right to sub-franchise any of its rights hereunder.

1.3.3 The Rights granted hereunder are non-exclusive, and Franchisor retains the right, in its sole discretion to: (a) continue to construct and operate other Restaurants and to use the System and the Marks at any location, and to license others to do so; (b) develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by Franchisor as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as Franchisor may deem advisable and without granting Franchisee any rights therein; and (c) develop, merchandise, sell and license others to sell any products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries and other non-Restaurant outlets and to use the Marks in connection therewith.

1.3.4 Franchisee shall at all times preserve in confidence any and all materials and information furnished or disclosed to Franchisee by Franchisor and Franchisee shall disclose such information or materials only to such of the Franchisee's employees or agents who must have access to it in connection with their employment. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

1.3.5 Franchisee shall comply with all laws, rules and regulations of the country (or countries) in which the Restaurants are located, as well as any local laws, rules and regulations.

SECTION II

FEE

In consideration of the rights granted herein, Franchisee shall pay Franchisor an initial franchise fee of _____ U.S. Dollars (\$ _____ USD) plus applicable taxes, which is due upon execution of this Agreement ("**Initial Franchise Fee**"). The Initial Franchise Fee represents an initial franchise fee of [X] U.S. Dollars (\$[X] USD) plus applicable taxes for the first Restaurant and [X] U.S. Dollars (\$[X] USD) plus applicable taxes for each additional Restaurant, and is payable via wire transfer upon execution of this Agreement. The balance of the Franchise Fee for each Restaurant (after the first Restaurant) shall be due upon execution of each separate Franchise Agreement. The Initial Franchise Fee is fully earned by Franchisor when this Agreement is signed and is non-refundable.

SECTION III

SCHEDULE AND MANNER FOR EXERCISING RIGHTS

3.1 In the event Franchisee finds a site for a Restaurant without the assistance of Franchisor, Franchisee shall submit to Franchisor for its evaluation and approval, in the form specified by Franchisor, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor, which confirms Franchisee's favorable prospects for obtaining the site. Franchisor shall have a minimum of fifteen (15) days after receipt of such information and materials

to approve or disapprove the site in its sole discretion. If the site is approved, Franchisee will be presented with the then-current Franchise Agreement for execution. Franchisee acknowledges that the approval of a site by Franchisor shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

3.2 Franchisee hereby acknowledges and agrees, as a condition of the continuance of the rights granted hereunder, to open Restaurants in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. Failure by Franchisee to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement.

SECTION IV

TERM

Unless sooner terminated in accordance with the terms of this Agreement, this Agreement and all rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Exhibit "A". This Agreement shall not be subject to renewal.

SECTION V

DEFAULT AND TERMINATION

5.1 The occurrence of any of the following events of default shall constitute good cause for Franchisor, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement:

5.1.1 If Franchisee shall, in any respect, fail to meet the Minimum Performance Schedule.

5.1.2 If Franchisee shall use the System or Marks except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

5.1.3 If Franchisee, or persons controlling, controlled by or under common control with Franchisee, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by Franchisee or in any restaurant which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

5.1.4 If Franchisee shall fail to remit to Franchisor any payments pursuant to Section II when same are due.

5.1.5 If Franchisee begins work upon any Restaurant at any site unless all the conditions stated in Section III hereof have been met.

5.1.6 If Franchisee shall purport to effect any assignment other than in accordance with Section VI hereof.

5.1.7 If Franchisee makes, or has made, any material misrepresentation to Franchisor in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

5.1.8 If Franchisee fails to obtain Franchisor's prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

5.1.9 If Franchisee defaults in the performance of any obligation under this Agreement or any Franchise Agreement with Franchisor, provided such default results in the termination of the Franchise Agreement.

5.1.10 If Franchisee or a shareholder of Franchisee owning twenty-five percent (25%) or more of Franchisee's voting stock is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

5.1.11 If Franchisee, or any person controlling, controlled by or under common control with Franchisee, shall become insolvent by reason of inability to pay their debts as they mature; shall be adjudicated a bankrupt; shall file or have filed against any of them a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the country in which Franchisee is operating; or if a receiver, permanent or temporary, of the business, assets or property of Franchisee or any such person, or any part thereof, is appointed by a court of competent authority; or if Franchisee or any such person requests the appointment of a receiver or makes a general assignment for the benefit of creditors or if a final judgment against Franchisee or any such person remains unsatisfied or record for sixty (60) days or longer; or if the bank accounts, property or receivables of Franchisee or any such person are attached and such attachment proceedings are not dismissed within a sixty (60) day period; or if execution is levied against the business or property of Franchisee or any such person or suit to foreclose any lien or mortgage against any of the Restaurants, the premises thereof or equipment thereon is instituted and not dismissed within thirty (30) days.

5.1.12 If Franchisee, or any shareholder or principal, if Franchisee is not an individual, or any of its affiliates ceases to operate all of the Restaurants opened pursuant to the terms of this Agreement.

5.2 Upon occurrence of any of the events stated in Section 5.1, Franchisor may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by Franchisor to Franchisee.

5.3 Upon the death or permanent incapacity of Franchisee or an owner of Franchisee if Franchisee is an entity, all of such person's direct or indirect interest in Franchisee must be transferred to a transferee approved by Franchisor within a reasonable time, not to exceed sixty (60) days from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to transfers contained in this Agreement. Failure to so transfer such ownership interest within such period of time shall constitute a breach of this Agreement.

5.4 Upon termination of this Agreement for any reason, or upon expiration of the term hereof, Franchisee agrees to cease immediately: (i) any attempts to select sites on which to establish Restaurants; and (ii) to hold itself out in any way as a franchisee of Franchisor or to do anything which would indicate a relationship between it and Franchisor. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy permitted by law or in equity.

SECTION VI

TRANSFER OF INTEREST

6.1 This Agreement is personal to Franchisee and Franchisee shall neither sell, assign, transfer nor encumber this Agreement, the rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of Franchisor. Franchisee understands that this

Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Paragraph shall constitute a material breach of this Agreement.

6.2 Franchisor's consent to a transfer of any interest in Franchisee or in the rights pursuant to this Section shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

6.3 Franchisor shall have the right, without the need for Franchisee's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity. This Agreement shall inure to the benefit of Franchisor, its successors and assigns.

SECTION VII

INDEPENDENT CONTRACTOR

It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

SECTION VIII

NON-WAIVER

No failure of Franchisor to exercise any power reserved to it under this Agreement or to insist upon compliance by Franchisee with any obligation or condition in this Agreement shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Franchisee of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

SECTION IX

SEVERABILITY AND CONSTRUCTION

Each provision of this Agreement shall be construed as independent of any other provision of this Agreement and shall be deemed severable. If all or any portion of a provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser provision imposing the maximum duty permitted by law which is subsumed within the terms of such provision, as if that lesser provision were separately stated in and made a part of this Agreement. This Agreement may be executed in duplicate and each copy of the executed Agreement shall be deemed an original.

SECTION X

ENTIRE AGREEMENT; APPLICABLE LAW

10.1 This Agreement and the Exhibits attached hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof and supersede any and

all prior agreements. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed in writing.

10.2 This Agreement shall be interpreted and construed exclusively under the laws of the state in which the first Restaurant under the Minimum Performance Schedule is located or, if not yet opened, is to be located. Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable shall be ineffective to the extent of the prohibition or unenforceability, without invalidating the remaining provisions of this Agreement, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of any choice-of-law or conflict of law rules). Notwithstanding the foregoing, the parties hereto agree that venue for any proceeding, relating to or arising out of this Agreement shall be in Toronto, Ontario, Canada. With respect to all claims, controversies, disputes or actions, relating to this Agreement or the relationship created hereby, this Agreements and any such claims or controversies, disputes or actions shall be governed, enforced and interpreted under the laws of the state as first set out above in this Section 10.2.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

FRESHII DEVELOPMENT, LLC

By: _____

Name: Peter Mammias

Title: Chief Executive Officer

FRANCHISEE:

By: _____

Name: _____

Title: _____

EXHIBIT "A"

Minimum Performance Schedule

The Agreement authorizes and obliges Franchisee to establish and operate [x] Freshii Restaurants pursuant to a separate Franchise Agreement for each Restaurant. The following is Franchisee's Minimum Performance Schedule:

Restaurant Number	Date by which Restaurant Must be Open and Operating	Franchise Fee Paid Upon Execution of this Agreement *Does not include applicable taxes which will be applied	Balance of Franchise Fee Due Upon Execution of Franchise Agreement *Does not include applicable taxes which will be applied
1		\$	\$
2		\$	\$
3		\$	\$
4		\$	\$
5		\$	\$

APPROVED:

FRANCHISEE

By: _____

Name: _____

Title: _____

FRESHII DEVELOPMENT, LLC

By: _____

Name: Peter Mammias

Title: Chief Executive Officer

EXHIBIT D

FRANCHISE AGREEMENT

FRESHII™ RESTAURANT
FRANCHISE AGREEMENT

FRANCHISEE

DATE OF AGREEMENT

RESTAURANT ADDRESS

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FRESHII™ RESTAURANT FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into on _____ (the “**Agreement Date**”), between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (“**Franchisor**”), and _____, a _____ limited liability/corporation, whose principal business address is _____ (“**Franchisee**”).

1. PREAMBLES AND GRANT OF FRANCHISE

PREAMBLES

(1) Franchisor and its affiliates have designed and developed a method of developing and operating restaurants identified by the Marks (defined below) offering for general consumption a wide variety of healthy meals such as salads, rice bowls, wraps, oatmeal, fresh and frozen yogurt, and healthy portable snacks and beverages (“**Freshii Restaurants**”).

(2) Franchisor and its affiliates have developed, and Franchisor uses, promotes and licenses, certain trademarks, service marks and other commercial symbols in operating Freshii Restaurants, including “Freshii (and design) ™”, and Franchisor may create, use and license other trademarks, service marks and commercial symbols for use in operating Freshii Restaurants from time to time (collectively, the “**Marks**”).

(3) Franchisor offers franchises to own and operate a Freshii Restaurant using Franchisor’s business system, business formats, methods, procedures, designs, layouts, trade dress, standards, specifications and Marks, all of which Franchisor may improve, further develop and otherwise modify periodically (collectively, the “**Franchise System**”).

(4) Franchisee has applied for a franchise to own and operate a Freshii Restaurant within the Designated Territory identified on Exhibit A (the “**Designated Territory**”), and Franchisor has approved Franchisee’s application relying on all of Franchisee’s representations, warranties and acknowledgments contained in its franchise application and this Agreement.

GRANT OF FRANCHISE RIGHTS AND TERM

Subject to the terms of this Agreement, Franchisor grants Franchisee the right, and Franchisee undertakes the obligation, to operate a Freshii Restaurant at the address identified on Exhibit A (the “**Restaurant**”), and to use the Franchise System in its operation, for a term of ten (10) years beginning on the Agreement Date, unless sooner terminated.

1.C. BEST EFFORTS

Only Franchisee is authorized to operate the Restaurant. Except as specifically set forth in Section 13, Franchisee may not delegate or assign any of its rights or obligations under this Agreement or any aspect of the management or operation of the Restaurant. Franchisee agrees to at all times faithfully, honestly and diligently perform its obligations and fully exploit the rights granted under this Agreement.

1.D. ORGANIZATION OF FRANCHISEE

Franchisee agrees and represents that:

(1) Its organizational documents will recite that this Agreement restricts the issuance and transfer of any ownership interests in Franchisee, and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to this Agreement's restrictions;

(2) Exhibit B to this Agreement completely and accurately describes all persons and entities holding a direct or indirect ownership interest (whether of record, beneficially or otherwise) or voting rights in Franchisee, including any person or entity who has a direct or indirect interest in Franchisee, this Agreement, or the Restaurant and any person or entity who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets ("Owners"), and the interests of each Owner. Subject to Franchisor's rights and Franchisee's obligations under Section 13, Franchisee and its Owners agree to sign and deliver to Franchisor revised Exhibits B to reflect any changes in the information that Exhibit B now contains within ten (10) days after the change;

(3) Each of the Franchisee's Owners at any time during the term of this Agreement will sign an agreement in the form that Franchisor periodically specifies undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor (or its affiliate); and

(4) The Restaurant and other Freshii Restaurants, if applicable, will be the only businesses Franchisee operates (although Franchisee's Owners and affiliates may have other, non-competitive business interests, subject to Section 12).

2. SITE SELECTION, LEASE, AND DEVELOPING THE RESTAURANT

2.A. SITE SELECTION

Franchisee shall, within one hundred and twenty days (120) days after this Agreement has been executed, locate a site that Franchisee believes is suitable for a Freshii Restaurant and submit to Franchisor all information it requires in order to evaluate such proposed site. Franchisor shall, within thirty (30) days after receipt of all information it requires, notify Franchisee whether the proposed site is accepted by Franchisor. Unless Franchisor provides its specific approval of a proposed site, such site is deemed not approved.

Franchisor's approval of a site for the Freshii Restaurant, pursuant to this Agreement, indicates only that it believes that the site meets its then acceptable criteria. Franchisor's application of criteria that have appeared effective with other sites might not accurately reflect the potential for all sites, and demographic and/or other factors included in or excluded from Franchisor's criteria could change, altering the potential of a site. The uncertainty and instability of these criteria are beyond Franchisor's control, and Franchisor is not responsible if the site fails to meet Franchisee's expectations.

2.B. LEASE OF RESTAURANT'S SITE

You must have the Restaurant's lease signed within six (6) months from when you sign the Franchise Agreement. Franchisee agrees to present to Franchisor for its approval any lease or sublease for the Restaurant's site (the "**Lease**") before Franchisee signs it. The Lease must contain the terms and

provisions that are reasonably acceptable to Franchisor. Franchisor may (but has no obligation to) provide Franchisee guidance or assistance relating to the Lease and its negotiation. At Franchisor's request, Franchisee agrees to sign, and obtain the lessor's consent to, the Collateral Assignment of Lease attached as Exhibit C under which Franchisee will collaterally assign the Lease to Franchisor as security for Franchisee's timely performance of all obligations under this Agreement. Franchisee acknowledges that Franchisor's guidance and assistance (if Franchisor chooses to provide it) and/or approval of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Freshii Restaurant operated at the site or the suitability of the Lease for Franchisee's business purposes. Franchisor's approval indicates only that it believes that the Lease's terms meet its then acceptable criteria.

2.C. DEVELOPING AND EQUIPPING THE RESTAURANT

Franchisee is responsible for developing the Restaurant at its expense. Franchisor will provide Franchisee mandatory and suggested specifications and layouts for a Freshii Restaurant, including requirements or recommendations (as applicable) for a Freshii Restaurant's design, decor and Operating Assets (defined in Section 2.D) and, at Franchisor's option, design drawings provided by the Franchisor or the Franchisor's designated third party service provider, in either case at the expense of the Franchisee. These specifications and layouts might not reflect the requirements of any federal, state or local law, code or regulation, including those arising under zoning regulations, environmental laws and regulations, other applicable ordinances, building codes or permit requirements, or any Lease requirements or restrictions. Franchisor may provide a list or other indication of approved service providers and/or required service providers for developing the Restaurant and Franchisee agrees, at its sole cost and expense, (i) in the case of approved service providers, to select its service providers only from such list, and (ii) in the case of required service providers, to engage with such service providers. The foregoing approved service providers and/or required service providers may include, without limitation, Franchisor's designated internal or third party providers of design services and/or project management services, each of which shall be subject to such internal or third party providers' then-current fee and payment terms for the applicable services. Franchisor makes no representation or warranty in respect of any product or service of any such service providers.

It is Franchisee's responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to make sure that they comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions, and to complete the development of the Restaurant within the timelines provided by Franchisor or its designee. Franchisee must submit all construction and remodeling plans and specifications to Franchisor for its approval before beginning build-out for the Restaurant and all revised or "as built" plans and specifications during construction and development. Franchisor's review is limited to ensuring Franchisee's compliance with Franchisor's design requirements. Franchisor's review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with such laws is Franchisee's responsibility. Franchisee agrees to remedy, at its expense, any noncompliance or alleged noncompliance with such laws. Franchisor may, but has no obligation to, periodically inspect the Restaurant's site during its development.

2.D. OPERATING ASSETS

Franchisee agrees at its expense to construct, install trade dress and furnish all Operating Assets in, and otherwise develop, the Restaurant according to Franchisor's standards, specifications and directions. Franchisee may not install or use any unauthorized Operating Assets at the Restaurant. Franchisee agrees to place or display, according to Franchisor's guidelines, at the Restaurant (interior and exterior) only the signs, emblems, lettering, logos and display materials that Franchisor approves from time to time.

Franchisee agrees to purchase or lease from time to time only the approved brands, types and models of Operating Assets according to Franchisor's standards and specifications and, if Franchisor specifies, only from suppliers that Franchisor designates or approves (which may include or be limited to Franchisor and/or its affiliates). **"Operating Assets"** means all required furniture, fixtures, equipment (including components for the Computer System (defined below)), vehicles, smallwares, and signs that Franchisor periodically requires for the Restaurant and the business Franchisee operates under this Agreement.

2.E. COMPUTER SYSTEM

Franchisee agrees to obtain and use the computer hardware and software that Franchisor periodically specifies, including hardware components, software components (including, but not limited to, relating to inventory management, customer service, store audits and other operational requirements), dedicated telephone and power lines, modems, printers, and other computer-related accessories and peripheral equipment (the **"Computer System"**). Franchisor may periodically modify specifications for, components of and software comprising the Computer System. Franchisor's modification of specifications for the Computer System, and/or other technological developments or events, may require Franchisee to purchase, lease and/or license new or modified computer hardware, software and other components and to obtain service and support for the Computer System (collectively, the **"Computer System Modifications"**). Although Franchisor cannot estimate the future costs of the Computer System or required service or support, Franchisee agrees to incur the costs of obtaining the computer hardware, software and other components comprising the Computer System (and additions and modifications) and required service or support. Within sixty (60) days after Franchisor delivers notice to Franchisee, Franchisee agrees (i) where such notice requires Franchisee to sign up for, approve and/or consent to any Computer System Modifications that are not, at the time of such notice, available for order, installation and/or implementation, to (x) complete such sign-up, approval and/or consent as required by Franchisor, and (y) notwithstanding clause (x) of this Section 2.E, within thirty (30) days from any one or more of such Computer System Modifications becoming available for order, installation and/or implementation, complying with the requirements of clause (ii) of this Section 2.E, and (ii) where such notice requires Franchisee to obtain, install and/or implement any Computer System Modifications that are, at the time of such notice, available to be ordered, obtained, installed and/or implementation, to so order, obtain, install and/or implement the Computer System Modifications and all components thereof that Franchisor designates and ensure that Franchisee's Computer System, as modified, is functioning properly.

Franchisor and its affiliates may condition any license of required or recommended proprietary software to Franchisee, and/or Franchisee's use of technology developed or maintained by or for Franchisor (including the System Website, as defined in Section 7.E), on Franchisee's signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging Franchisee's consent to and accepting the terms of a click-through license agreement), that Franchisor and its affiliates periodically prescribe to regulate Franchisee's use of, and Franchisor's (or its affiliate's) and Franchisee's respective rights and responsibilities with respect to, the software or technology. Franchisor (and its affiliates) and providers of any component of the Computer System may charge Franchisee up-front and ongoing fees for any required or recommended proprietary software or technology that Franchisor or its affiliates license to Franchisee and for other Computer System maintenance and support services provided during the term of this Agreement and may charge such fees by any method Franchisor or its associates, as applicable, determine, including, without limitation, by automatic debit as contemplated in Section 6.C.

Notwithstanding Franchisee's obligation to buy, use, and maintain the Computer System according to Franchisor's standards and specifications, Franchisee has sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which Franchisee's Computer System interfaces with Franchisor's and any third party's computer system; and

(3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The Computer System shall permit twenty-four (24) hours per day, seven (7) days per week electronic communications between Franchisee and Franchisor, including access to the Internet.

2.F. RESTAURANT OPENING

Franchisee agrees not to open the Restaurant for business until: (1) it has properly developed and equipped the Restaurant according to Franchisor's standards and specifications and in compliance with all applicable laws, rules and regulations; (2) all pre-opening training for the Restaurant's personnel has been completed to Franchisor's satisfaction; (3) all amounts that Franchisee then owes to Franchisor or its affiliate have been paid; (4) Franchisee has obtained all required licenses and permits to operate the Restaurant; (5) Franchisee has provided Franchisor copies of all insurance policies required under this Agreement, or such other evidence of insurance coverage and payment of premiums as Franchisor requests; and (6) Franchisor has (at its option) conducted a pre-opening inspection and approved the Restaurant for opening. Franchisor's determination that Franchisee has met all of Franchisor's pre-opening requirements will not constitute a representation or warranty, express or implied, that the Restaurant complies with any laws or constitute a waiver of Franchisee's non-compliance, or of Franchisor's right to demand full compliance, with any provision of this Agreement. Franchisee agrees to obtain Franchisor's approval to open and open the Restaurant for business within three hundred sixty-five (365) days after the Agreement Date.

2.G. RELOCATING THE RESTAURANT

If the Lease expires or is terminated without Franchisee's fault, or if the Restaurant is destroyed, condemned, or otherwise rendered unusable, Franchisor will allow Franchisee to relocate the Restaurant to a new site within the Territory acceptable to Franchisor. Relocation will be at Franchisee's sole expense, and Franchisor may charge Franchisee for the reasonable costs that Franchisor incurs in connection with any Restaurant relocation.

3. TERRITORY

3.A. RIGHTS IN DESIGNATED TERRITORY

The Designated Territory is identified on Exhibit A. Provided Franchisee is in full compliance with this Agreement and all other agreements between Franchisee and Franchisor (or any of its affiliates), then during the term of this Agreement, neither Franchisor nor its affiliates will operate, or authorize any other party to operate, a Freshii Restaurant the physical premises of which are located within the Designated Territory, except for Freshii Restaurants located at Non-Traditional Locations within the Territory. "**Non-Traditional Locations**" means (1) airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, and other venues to which the general public customarily does not have unlimited access; and (2) department stores, grocery stores, and other retail locations that operate under a separate brand identity and within which a Freshii Restaurant or kiosk might operate as a department located within the premises of the host retailer.

3.B. RESERVATION OF RIGHTS

Except as provided in Section 3.A, Franchisee's rights under this Agreement are non-exclusive and Franchisor (and its affiliates) retain the right during the term of this Agreement to engage in any and all activities that Franchisor (and they) desire, at any time or place, and whether or not these activities compete with the Restaurant, including the right to:

(1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Designated Territory, on any terms and conditions Franchisor deems appropriate;

(2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Designated Territory on any terms and conditions Franchisor deems appropriate;

(3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers Franchisor desires (wherever located or operating, including within the Designated Territory) and through any distribution channels Franchisor desires (wherever located or operating, including within the Designated Territory), including by selling products identified by the Marks through grocery stores, mail order and the Internet; and

(4) engage in all other activities that this Agreement does not expressly prohibit.

4. TRAINING, GUIDANCE AND ASSISTANCE

4.A. INITIAL TRAINING FOR SALARIED MANAGERS

Before Franchisee opens the Restaurant for business, the General Manager (defined in Section 5.D) and each other salaried manager at the Restaurant must attend and complete Franchisor's initial training program on the operation of a Freshii Restaurant. Initial training may include classroom training, instruction at designated facilities, hands-on training at an operating Freshii Restaurant, remote training (including via videotape, DVD or Internet access) and/or self-study programs, subject to Section 4.B below. Franchisor will determine and provide or facilitate the pre-opening initial training program for all applicable Restaurant managers. The General Manager must complete the initial training program to Franchisor's satisfaction at least six (6) weeks before opening the Restaurant, and other salaried Restaurant managers must complete the initial training program to Franchisor's satisfaction at least three (3) weeks before opening the Restaurant. Franchisor may charge reasonable fees for such initial training courses, programs and conventions that it administers or provides

4.B. CERTIFIED TRAINING RESTAURANT

If, as of the Agreement Date, Franchisor has designated a Freshii Restaurant that Franchisee or its affiliate operates as a Certified Training Restaurant, and designated the general manager of that Freshii Restaurant as a Certified Training Manager, then part of the initial training under Section 4.A will occur at that Certified Training Restaurant under the Certified Training Manager's supervision (and according to Franchisor's standards and guidelines). However, Franchisee still must send the General Manager and all other salaried managers at the Restaurant to Franchisor's designated training center for a "certification week" following their training at the Certified Training Restaurant, and Franchisee must obtain Franchisor's written acknowledgement that the Restaurant personnel have been properly trained and pass any certification tests that Franchisor reasonably requires before opening the Restaurant. If, as of the Agreement Date, Franchisor has not designated a Freshii Restaurant that Franchisee or its affiliate operates as a Certified Training Restaurant, or has not designated the general manager of that Freshii Restaurant as a Certified Training Manager, then all initial training under Section 4.A will occur at a location that Franchisor specifies under Franchisor's supervision.

4.C. ADDITIONAL TRAINING

Franchisor may require Franchisee's Owners to attend and complete to Franchisor's satisfaction the one (1)-day executive workshop that Franchisor specifies for Freshii Restaurant franchisees or Franchisee specifically. Franchisor may charge reasonable fees for any such executive workshop that it requires.

4.D. ONGOING AND SUPPLEMENTAL TRAINING

Periodically during the term of this Agreement, Franchisor may require the General Manager and other Restaurant personnel (whether they are existing or newly-hired employees) to attend and satisfactorily complete various training courses, programs and conventions that Franchisor chooses to provide, and/or that Franchisor requires Franchisee's (or its Affiliate's) Certified Training Restaurant and Certified Training Manager to provide (if applicable), at the times and locations that Franchisor designates. Franchisor may charge reasonable fees for those training courses, programs and conventions that it administers or provides.

4.E. TRAINING EXPENSES

Franchisee will be responsible for its and its personnel's travel, living and other expenses (including local transportation expenses) and compensation incurred in connection with attendance at any training courses, programs and conventions and work at Freshii Restaurants that is part of their development.

4.F. GENERAL GUIDANCE

Franchisor will periodically advise Franchisee regarding the operation of the Restaurant based on Franchisee's reports or Franchisor's inspections with respect to:

- (1) standards, specifications, operating procedures and methods that Freshii Restaurants use;
- (2) purchasing required or recommended Operating Assets and other products, supplies and materials;
- (3) employee training methods and procedures (although Franchisee is responsible for the terms and conditions of employment of all of its employees); and
- (4) accounting, advertising, and marketing.

Franchisor may guide Franchisee by means of Franchisor's operating manual and other technical manuals ("**Operations Manual**"), in bulletins or other written materials, by electronic media, by telephone consultation, and/or at Franchisor's office or the Restaurant. If Franchisee requests and Franchisor agrees to provide additional or special guidance, assistance or training, Franchisee agrees to pay Franchisor's then applicable charges, including reasonable training fees and Franchisor's personnel's per diem charges and any travel and living expenses. Any specific ongoing training, conventions, advice or assistance that Franchisor provides does not create an obligation to continue providing that specific training, convention, advice or assistance, all of which Franchisor may discontinue and modify at any time.

4.G. OPERATIONS MANUAL

During the term of this Agreement, Franchisor will provide Franchisee access to one (1) copy of Franchisor's Operations Manual, which may include audiotapes, videotapes, computer disks, compact disks, DVDs and/or other written or intangible materials and which Franchisor may make available to Franchisee by various means, including access through the Internet. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating a Freshii Restaurant ("**System Standards**") and information on Franchisee's other obligations under this Agreement. Franchisor may modify the Operations Manual periodically to reflect changes in System Standards, but these modifications shall not alter Franchisee's fundamental rights or status under this Agreement. Franchisee agrees to keep Franchisee's copy of the Operations Manual current and communicate all updates to Franchisee's personnel in a timely manner. Franchisee agrees to keep all parts of the Operations Manual in a secure location. If there is a dispute over its contents, Franchisor's master copy of the Operations Manual controls.

Franchisee shall treat the Operations Manual, any other materials created for or approved for use in the operation of the Restaurant, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information (both in electronic and other formats) as proprietary and confidential. Franchisee shall not download, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person, except as authorized in advance by Franchisor. The Operations Manual, any other materials created for or approved for use in the operation of the Restaurant, and the information contained therein shall remain the sole property of Franchisor.

The System Standards do not include any personnel policies or procedures or security-related policies or procedures that Franchisor (at its option) may make available to Franchisee in the Operations Manual or otherwise for Franchisee's optional use. Franchisee will determine to what extent, if any, these policies and procedures might apply to its operations at the Restaurant. Franchisee and Franchisor recognize that Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and Franchisor is not responsible for the safety and security of Restaurant employees or patrons.

At Franchisor's option, Franchisor may post the Operations Manual on a restricted website to which Franchisee will have password access. If Franchisor does so, Franchisee agrees to periodically monitor that website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website will be deemed to be part of Confidential Information (defined in Section 11.A below).

4.H. DELEGATION OF PERFORMANCE

Franchisor has the right to delegate the performance of any portion or all of Franchisor's obligations under this Agreement from time to time to third party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor contracts to perform these obligations.

5. RESTAURANT OPERATION AND SYSTEM STANDARDS

5.A. CONDITION AND APPEARANCE OF RESTAURANT

Franchisee may not use, or allow any other party to use, any part of the Restaurant for any purpose other than Franchisee's operation of a Freshii Restaurant in compliance with this Agreement. Franchisee agrees to place or display at the Restaurant (interior and exterior) and on all vehicles used in connection

with the Restaurant's business only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that Franchisor periodically specifies. Franchisee agrees to maintain the condition and appearance of the Restaurant and the Operating Assets in accordance with the System Standards. Without limiting that obligation, Franchisee agrees to take, at its expense, the following actions during the term of this Agreement: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Restaurant at intervals that Franchisor may periodically prescribe and at Franchisor's direction; (2) interior and exterior repair of the Restaurant as needed; and (3) repair or replacement, at Franchisor's direction, of damaged, worn-out or obsolete Operating Assets at intervals that Franchisor periodically prescribes (or, if Franchisor does not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to Franchisee's obligations described above, Franchisor may from time to time, but not more than two (2) times during the term of this Agreement, require Franchisee to substantially alter the Restaurant's appearance, branding, layout and/or design, and/or replace a material portion of the Operating Assets, in order to meet Franchisor's then current requirements for new Freshii Restaurants. Franchisee acknowledges that this obligation could result in its making extensive structural changes to, and significantly remodeling and renovating, the Restaurant, and/or in Franchisee's spending substantial amounts for new Operating Assets, from time to time during the term of this Agreement, and Franchisee agrees to incur, without limitation, any capital expenditures required in order to comply with this obligation and Franchisor's requirements (even if such expenditures cannot be amortized over the remaining term of this Agreement). Within sixty (60) days after receiving written notice from Franchisor, Franchisee shall have plans prepared according to the standards and specifications that Franchisor prescribes and, if Franchisor requires, using architects and contractors that Franchisor designates or approves, and Franchisee must submit those plans to Franchisor for its approval. Franchisee agrees to complete all work according to the plans that Franchisor approves within the time period that Franchisor reasonably specifies.

5.B. PRODUCTS AND SERVICES THE RESTAURANT OFFERS

The Restaurant must offer for sale all products and services that Franchisor periodically specifies, including the products intended for off-premises consumption. Franchisee may not offer, sell or otherwise distribute at the Restaurant or any other location any products or services that Franchisor has not authorized and may not offer or sell any products at wholesale without Franchisor's prior written consent.

5.C. CATERING SERVICE AND DELIVERY SERVICE

Unless Franchisor specifies otherwise in writing, Franchisee shall provide Catering Service and/or Delivery Service from the Restaurant in accordance with all applicable terms and conditions of this Agreement (including all System Standards). "**Catering Service**" means the delivery of food and beverage products which are prepared or partially prepared at the Restaurant and delivered to customers at locations other than the Restaurant's site, where, in addition to delivering such products, Franchisee provides ancillary services (such as setting up for, serving or otherwise distributing such food and beverage products) at such locations. "**Delivery Service**" means the delivery of food and beverage products that are fully prepared at the Restaurant and ready for consumption to customers at locations other than the Restaurant's site, where Franchisee delivers such food and beverage products but provides no ancillary services (such as setting up for, serving or otherwise distributing such food and beverage products) at such locations. Franchisee shall not establish another outlet or property (other than the Restaurant's site) for use in connection with Catering Service or Delivery Service.

Franchisee may determine the geographic area within which it will offer Catering Service or Delivery Service, provided that (1) Franchisee must ensure that its customers receive at all times high quality food and beverage products prepared and maintained in accordance with Franchisor's specifications,

and (2) Franchisee shall not provide Catering Service or Delivery Service to any location outside the Territory. Franchisee shall maintain the condition and appearance of, and perform maintenance with respect to, vehicles, servewear and equipment used in connection with the provision of Catering Services and/or Delivery Services in accordance with Franchisor's standards, specifications and procedures, and consistent with the image of Freshii Restaurants as first class, clean, sanitary, attractive and efficiently-operated foodservice businesses. Franchisee shall ensure that all catering and delivery drivers strictly comply with all applicable laws and maintain adequate motor vehicle liability insurance in the amounts that Franchisor periodically specifies.

If Franchisee fails to comply with any provision of this Agreement, including any System Standard, pertaining to Catering Service or Delivery Service, then in addition to any other rights and remedies that Franchisor might have (including the right to terminate this Agreement pursuant to Section 15.A, if applicable), Franchisor may temporarily suspend or permanently terminate Franchisee's right to provide Catering Service and/or Delivery Service or restrict the geographic area within which Franchisee may provide Catering Service and/or Delivery Service.

5.D. RESTAURANT GENERAL MANAGER AND SALARIED MANAGERS

Franchisee agrees that the Restaurant will, at all times, have a fully-qualified general manager who meets Franchisor's then current standards for Freshii Restaurant general managers and who has satisfactorily completed Franchisor's then current training curriculum (the "**General Manager**"). The General Manager must devote all of his or her business time and efforts (*i.e.* at least forty (40) hours per week and at least five (5) days per week) to the on-premises supervision of the Restaurant. The Restaurant's initial General Manager (if known on the Agreement Date) is identified on Exhibit A. If the General Manager ceases holding his or her position at the Restaurant for any reason, Franchisee agrees to appoint a fully-qualified permanent replacement who meets Franchisor's then current standards for Freshii Restaurant general managers, and who satisfactorily completes Franchisor's then current training curriculum, within thirty (30) days thereafter. Franchisee also agrees that all salaried managers at the Restaurant who are hired after the Agreement Date shall satisfactorily complete Franchisor's then current training curriculum within thirty (30) days after their hiring.

5.E. APPROVED PRODUCTS AND SUPPLIERS

Franchisor reserves the right periodically to designate and approve standards, specifications and/or suppliers of the Operating Assets and other products and services that Franchisor periodically authorizes for use at or sale by the Restaurant. Franchisee agrees to purchase or lease all Operating Assets and other products and services for the Restaurant only according to Franchisor's standards and specifications and, if Franchisor requires, only from suppliers that Franchisor designates or approves (which may include or be limited to Franchisor or its affiliates). Franchisor and/or its affiliates may derive revenue based on Franchisee's purchases and leases, including from charging Franchisee for products and services that Franchisor or its affiliates provide to Franchisee and from promotional allowances, volume discounts and other payments made to Franchisor and its affiliates by suppliers that Franchisor designates, approves or recommends for some or all Freshii Restaurant franchisees. Franchisor and its affiliates may use all amounts received from suppliers, whether or not based on Franchisee's and other franchisees' prospective or actual dealings with them, without restriction for any purposes that Franchisor and its affiliates deem appropriate. Franchisor reserves the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of Franchisee's purchases of non-proprietary goods, services or equipment be paid to Franchisor or any affiliate that it shall designate, and Franchisee hereby acknowledges that it shall not assert any interest in such monies.

If Franchisee wants to use any products or services for or at the Restaurant that Franchisor has not yet evaluated or purchase any product or service from a supplier that Franchisor has not yet approved (for products and services that Franchisor requires Franchisee to purchase only from designated or approved suppliers), Franchisee first agrees to submit sufficient information, specifications and samples for Franchisor to determine whether the product or service complies with Franchisor's standards and specifications or the supplier meets Franchisor's criteria. Franchisor may charge Franchisee a reasonable fee (not exceeding Franchisor's good faith estimate of its evaluation costs) for each product, service or supplier that Franchisee asks Franchisor to evaluate. Franchisor may condition its approval of a supplier on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and/or other criteria. Franchisor has the right to inspect the proposed supplier's facilities and to require the proposed supplier to deliver product samples or items, at Franchisor's option, either directly to Franchisor or to any third party it designates for testing. Franchisor reserves the right periodically to re-inspect the facilities and products of any approved supplier and to revoke its approval of any supplier, product or service that does not continue to meet its criteria. Notwithstanding the foregoing, Franchisor may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use, and/or refuse any of Franchisee's requests for any reason, including that Franchisor has already designated an exclusive source (which might be Franchisor or its affiliate) for a particular item or service or if Franchisor believes that doing so is in the best interests of the Freshii Restaurant network.

5.F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

Franchisee agrees to secure and maintain in force throughout the term of this Agreement all required licenses, permits and certificates relating to the operation of the Restaurant and operate the Restaurant, and otherwise conduct its business under this Agreement, in full compliance with all applicable laws, ordinances and regulations, including the ADA, all environmental regulations, and all present and future laws, regulations, policies, lists and other requirements of any governmental authority addressing or relating to terrorism, terrorist acts or acts of war. Franchisee agrees that the Restaurant will in all dealings with its customers, suppliers, Franchisor and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that might injure Franchisor's business or the goodwill associated with the Marks or other Freshii Restaurants. Franchisee agrees to notify Franchisor in writing within three (3) business days of: (1) the commencement of any action, suit or proceeding relating to the Restaurant; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality which might adversely affect Franchisee's operation or financial condition or that of the Restaurant (including the revocation or threatened revocation of any license, permit or certification applicable to the Restaurant); or (3) any notice of violation of any law, ordinance or regulation relating to the Restaurant.

5.G. INSURANCE

During the term of this Agreement, Franchisee agrees to maintain in force at its sole expense insurance coverage for the Restaurant in the amounts, and covering the risks, that Franchisor periodically specifies. All of Franchisee's insurance carriers must be licensed to do business in the state in which the Restaurant is located and be rated A- or higher by A.M Best and Company, Inc. (or such similar criteria as Franchisor periodically specifies). These insurance policies must be in effect before Franchisee opens the Restaurant for business. Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or relevant changes in circumstances. Insurance policies must name Franchisor and any affiliates it periodically designates as additional insureds and provide for thirty (30) days' prior written notice to Franchisor of the

material modification, cancellation or non-renewal of any policy. Franchisee agrees to periodically send Franchisor a valid certificate of insurance or duplicate insurance policy evidencing the coverage specified above and the payment of premiums. If Franchisee fails or refuses to obtain or maintain required insurance coverage, or to provide Franchisor evidence of the payment of premiums, then Franchisor may, at its option and in addition to its other rights and remedies, obtain such coverage on Franchisee's behalf. Franchisee agrees to cooperate fully with Franchisor and to reimburse Franchisor on demand for any premiums, costs and expenses it incurs.

5.H. COMPLIANCE WITH SYSTEM STANDARDS

Franchisee acknowledges and agrees that operating and maintaining the Restaurant according to mandatory System Standards, as Franchisor may periodically modify and supplement them, are essential to preserve the goodwill of the Marks and all Freshii Restaurants. Therefore, Franchisee agrees at all times to operate and maintain the Restaurant according to each and every mandatory System Standard, as Franchisor periodically modifies and supplements them. System Standards may regulate any aspect of the operation and maintenance of the Restaurant, including any one or more of the following:

- (1) sales, marketing, advertising and promotional programs and materials for the Restaurant (which might include providing food to consumers free or at a reduced price) and media used in these programs, including participation in and compliance with the requirements of any special advertising, marketing and promotional programs that Franchisor periodically specifies in which all or certain Freshii Restaurants participate;
- (2) staffing levels for the Restaurant, appearance and job functions for Restaurant personnel, and competent and courteous service to customers (although Franchisee has the sole responsibility and authority for Franchisee's employees' terms and conditions of employment);
- (3) maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including requirements for promotions, special offers and discounts in which some or all Freshii Restaurants participate, in each case to the maximum extent the law allows;
- (4) ingredients and methods of preparing food products;
- (5) standards, requirements and procedures for training managers and other personnel of Franchisee's Restaurant;
- (6) requirements for vehicles, training, qualifications, conduct and appearance of personnel, product packaging, format and use of materials and supplies (including display of the Marks thereon), and other aspects of providing Catering Services or Delivery Services;
- (7) all aspects of the offer, sale, display and marketing of products intended for off-premises consumption or use;
- (8) use and display of the Marks;
- (9) terms and conditions of the sale and delivery of, and terms and methods of payment for, products and services that Franchisee obtains from Franchisor and affiliated and unaffiliated suppliers, including ordering, return and warranty terms and conditions and Franchisor's and its affiliates' right to sell Franchisee any products only on a "cash-on-delivery" or other basis if Franchisee is in default or has failed to pay when due amounts owed under any agreement with Franchisor or its affiliates;

- (10) customer satisfaction surveys and programs and procedures for resolving customer complaints;
- (11) days and hours of operation (which may vary among Freshii Restaurants);
- (12) issuing and honoring gift certificates, gift cards, stored value cards and similar items and participating in other promotions. Franchisor reserves the right to alter the terms and conditions of any gift card or any such programs, including reserving the right to apply changes retroactively to benefits already accrued under such programs;
- (13) participation in market research and test programs that Franchisor requires or approves concerning various aspects of the Franchise System, including new or updated procedures, systems, equipment, signs, trade dress, supplies, marketing materials and strategies, merchandising strategies, products and/or services;
- (14) accepting credit and debit cards, other payment systems and check verification services; and
- (15) any other aspects of operating and maintaining the Restaurant that Franchisor determines to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Freshii Restaurants.

Franchisee acknowledges that Franchisor's periodic modification of the System Standards (including, but not limited to, the introduction or modification of programs relating to the operation of the Restaurant, and accommodating changes to the required Computer System for Freshii Restaurants and the Marks) may obligate Franchisee to invest additional capital in the Restaurant and incur additional and higher operating costs, and Franchisee agrees to comply with those obligations within the time period Franchisor specifies. Although Franchisor retains the right to establish and periodically modify System Standards that Franchisee has agreed to follow, Franchisee retains the responsibility for the day-to-day management and operation of the Restaurant and implementing and maintaining System Standards at the Restaurant.

5.I. MODIFICATION OF FRANCHISE SYSTEM

Because complete and detailed uniformity under many varying conditions might not be possible or practical, Franchisor reserves the right to vary System Standards for any Freshii Restaurant or group of Freshii Restaurants based upon the peculiarities of any conditions or factors that Franchisor considers important to its operations. Franchisee has no right to require Franchisor to grant Franchisee a similar variation or accommodation.

6. INITIAL FRANCHISE FEE AND ROYALTY

6.A. INITIAL FRANCHISE FEE

Upon signing this Franchise Agreement, the Franchisee will pay the Franchisor the initial franchise fee in the amount of Thirty Thousand Dollars (\$30,000.00) plus applicable taxes, which is due and payable upon execution of this Agreement. The initial Franchise Fee is not refundable, other than to the extent expressly stated otherwise herein. If this Agreement is being executed pursuant to an Area Development Agreement and is in respect of a Freshii Restaurant that is not the first to be developed under such Area Development Agreement, the Franchisor shall apply Fifteen Thousand Dollars (\$15,000), as applicable, of the Development Fee paid under the Area Development Agreement (if any) in respect of the Restaurant toward such initial franchise fee, and Franchisee agrees to pay the remainder of such initial franchise fee,

as provided for in Exhibit A, upon executing this Agreement. All monetary amounts referred to in this Agreement are expressed in and payable in US Dollars.

6.B. ROYALTY AND DEFINITIONS OF GROSS SALES

Franchisee agrees to pay Franchisor, on or before the day of each week that Franchisor periodically specifies (the “**Payment Day**”), a royalty (“**Royalty**”) in an amount equal to six percent (6%) of the Gross Sales (defined below) of the Restaurant during the previous week. In this Agreement, “**Gross Sales**” means all revenue from sales conducted upon or from the Restaurant, whether from check, cash, credit, charge account, debit account, exchange, trade credit, other credit transactions, barter or otherwise, including any implied or imputed Gross Sales from any business interruption insurance and all revenue from the provision of Catering Service and Delivery Service. However, Gross Sales exclude: (1) sales for which cash has been refunded, if those sales were previously included in Gross Sales; (2) federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (3) the face value of coupons or discounts that customers redeem. Each charge or sale upon credit shall be treated as a sale for the full price on the day during which such charge or sale is made, irrespective of when Franchisee receives payment (whether full or partial, or at all) on that sale. Amounts paid by gift certificate, gift card or similar program are included in Gross Sales when the gift certificate, other instrument or applicable credit is redeemed.

6.C. PAYMENT METHOD AND TIMING

Franchisee agrees to sign and deliver to Franchisor the documents that Franchisor periodically requires to authorize Franchisor to debit Franchisee’s business checking account automatically for the Royalty and other amounts due under this Agreement or any related agreement between Franchisor (or its affiliates) and Franchisee. If Franchisor institutes an automatic debit program for the Restaurant, Franchisor will debit Franchisee’s account for the Royalty and other amounts on or after the Payment Day, based on the Gross Sales for the previous week. Franchisee agrees to make the funds available for withdrawal by electronic transfer before each due date. In connection with the automatic debit program, Franchisor may require Franchisee to procure, at Franchisee’s expense, overdraft protection for its business checking account in an amount that Franchisor specifies. Franchisee agrees to reimburse Franchisor for any “insufficient funds” charges and related expenses that Franchisor incurs in connection with (1) any checks that Franchisor receives from Franchisee or (2) Franchisee’s failure to maintain sufficient funds in its automatic debit account.

If Franchisee fails to report the Restaurant’s Gross Sales for any week, Franchisor may debit Franchisee’s account for one hundred twenty percent (120%) of the Royalty and/or Marketing Fund (defined in Section 7.B) contribution that Franchisor debited for the previous week. If the amount Franchisor debits from Franchisee’s account is less than the amount Franchisee actually owes Franchisor for the week (once Franchisor has determined the true and correct Gross Sales of the Restaurant for the week), Franchisor will debit Franchisee’s account for the balance due on the day that Franchisor specifies. If the amount Franchisor debits from Franchisee’s account is greater than the amount Franchisee actually owes Franchisor for the week (once Franchisor has determined the true and correct Gross Sales of the Restaurant for the week), Franchisor will credit the excess, without interest, against the amount that Franchisor otherwise would debit from Franchisee’s account during the following week.

Franchisor has the right, at its sole option upon notice to Franchisee, to change from time to time the timing and terms for payment of Royalties and other amounts payable to Franchisor under this Agreement. For example, Franchisor may change the frequency at which payments are calculated to bi-weekly or monthly.

Franchisee may not subordinate to any other obligation its obligation to pay Royalties or any other fee or charge under this Agreement.

6.D. INTEREST ON LATE PAYMENTS

All amounts that Franchisee owes Franchisor (including Royalty payments), if not debited from Franchisee's account or paid within seven (7) days after the due date, will bear interest beginning after their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. Franchisor may debit Franchisee's account automatically for these amounts. Franchisee acknowledges that this Section 6.D is not Franchisor's agreement to accept any payments after they are due or Franchisor's commitment to extend credit to, or otherwise finance Franchisee's operation of, the Restaurant. Franchisee's failure to pay all amounts that Franchisee owes Franchisor when due constitutes grounds for Franchisor's terminating this Agreement under Section 15, notwithstanding this Section.

6.E. APPLICATION OF PAYMENTS AND RIGHT OF SET-OFF

Notwithstanding any designation that Franchisee makes, Franchisor may apply any of Franchisor's debits or Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor (or its affiliates). Franchisor may set-off any amounts Franchisee or its Owners owe Franchisor or its affiliates against any amounts that Franchisor or its affiliates owe Franchisee or its Owners, whether in connection with this Agreement or otherwise.

7. ADVERTISING AND MARKETING

7.A. GRAND OPENING MARKETING PROGRAM

(1) Franchisee agrees, at its expense, to implement a grand opening marketing program for the Restaurant in accordance with the requirements in the Operations Manual and other System Standards. Franchisee agrees to spend Ten Thousand Dollars (\$10,000) on its grand opening marketing program.

(2) When the Franchisee signs the lease for the Restaurant, the Franchisee will sign the Marketing Deposit Agreement, attached as Exhibit F (the "**Marketing Deposit Agreement**"), and shall pay to the Franchisor a non-refundable grand opening marketing deposit in the amount of Ten Thousand Dollars (\$10,000) (the "**Grand Opening Marketing Deposit**"). Subject to receipt by Franchisor of the Grand Opening Marketing Deposit in accordance with the foregoing, upon Franchisee's request, Franchisor will identify materials that Franchisor requires Franchisee to use for a grand opening marketing program, and will, to the extent Franchisor determines necessary, consult with Franchisee to assist in the preparation of a written grand opening marketing program for the Restaurant that contemplates spending the Grand Opening Marketing Deposit. Franchisee is required to (i) provide Franchisor with not less than four (4) weeks' notice of the intended date of implementation of the grand opening marketing program, and (ii) within not less than three (3) months of the date that the Restaurant first opens and operates, implement the grand opening marketing program (as approved by Franchisor) according to Franchisor's requirements. Provided that Franchisee meets the requirements set out in this Section 7.A, Franchisor will, at Franchisor's discretion, (a) pay, on Franchisee's behalf, approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Grand Opening Marketing Deposit, or (b) credit Franchisee for amounts paid to approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Grand Opening Marketing Deposit. Franchisee shall provide all documentation reasonably requested by Franchisor (including, but not limited to, receipts for all grand opening marketing program expenses) prior to being credited any amounts under this Section 7.A. Failure to conduct a grand opening marketing program (or any portion thereof) as contemplated by this Section 7.A shall not entitle Franchisee to a refund of any portion of the Grand Opening Marketing Deposit and such funds shall be forfeited to Franchisor to

be used for any purpose Franchisor determines, which, for certainty, need not be for the benefit of Franchisee.

7.B. MARKETING FUND

Recognizing the value of advertising and marketing to the goodwill and public image of Freshii Restaurants, Franchisor has established, administers and controls a marketing fund (the “**Marketing Fund**”) for the advertising, marketing and public relations programs and materials that Franchisor deems appropriate. Franchisee agrees to contribute the amount that Franchisor periodically specifies to the Marketing Fund, up to three percent (3%) of the Restaurant’s Gross Sales. Franchisee’s Marketing Fund contribution shall be payable in the same manner as the Royalty or in such other manner as Franchisor periodically specifies. Freshii Restaurants that Franchisor or its affiliates own will contribute to the Marketing Fund on the same basis as franchisees.

Franchisor will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media; maintaining and administering one or more System Websites and otherwise establishing an online presence; administering regional and multi-regional marketing and advertising programs, including creating and/or purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will make available samples of advertising, marketing and promotional formats and materials at no cost and will offer for sale multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges. The Marketing Fund also may reimburse Freshii Restaurant operators (including Franchisor and/or its affiliates) for certain approved marketing expenditures that Franchisor periodically specifies. Franchisor also may use Marketing Fund assets for advertising, marketing and promotional programs and materials that principally solicit the sale of Freshii Restaurant franchises and/or development rights.

Franchisor will account for the Marketing Fund separately from its other funds and not use the Marketing Fund for any of its general operating expenses. However, the Marketing Fund may reimburse Franchisor and its affiliates for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund or otherwise provide assistance or services to the Marketing Fund, the Marketing Fund’s administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to the Marketing Fund’s business, and other expenses that Franchisor and they incur in administering or directing the Marketing Fund and its programs, including conducting market research, preparing advertising, promotional and marketing materials, and collecting and accounting for Marketing Fund contributions. The Marketing Fund is not a trust, and Franchisor does not owe Franchisee fiduciary obligations because of Franchisor’s maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund’s other assets. Franchisor will prepare an annual, unaudited statement of Marketing Fund collections and expenses, which Franchisor make available to Franchisee upon Franchisee’s request. Franchisor may incorporate the Marketing Fund or operate it through a separate entity whenever Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Subsection.

Franchisor intends the Marketing Fund to maximize recognition of the Marks and patronage of Freshii Restaurants. Although Franchisor will try to use the Marketing Fund in the aggregate to develop

advertising and marketing materials and programs, and implement programs, that will benefit all Freshii Restaurants, Franchisor may use the Marketing Fund as it determines appropriate, in its discretion, and need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by Freshii Restaurants operating in that geographic area or that any Freshii Restaurant benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or implementation of programs. Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. Franchisor also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Subsection, Franchisor assumes no direct or indirect liability or obligation to Franchisee for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

Franchisor may at any time defer or reduce the Marketing Fund contributions of a Freshii Restaurant franchisee and, upon thirty (30) days' prior written notice to Franchisee, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If Franchisor terminates the Marketing Fund, Franchisor will spend the remaining unspent funds contributed during the prior 12 month period on various marketing initiatives to benefit the System.

7.C. APPROVAL OF ADVERTISING

All of Franchisee's advertising, promotion and marketing must be completely clear, factual and not misleading and conform to the highest ethical standards and the advertising and marketing policies that Franchisor periodically specifies. Before using them, Franchisee agrees to send to Franchisor, for its approval, samples of all advertising, promotional and marketing materials that Franchisor has not prepared or previously approved within the preceding six (6) months. If Franchisee does not receive written notice of disapproval from Franchisor within fifteen (15) days after Franchisor receives the materials, they are deemed approved. Franchisee may not use any advertising, promotional or marketing materials that Franchisor has disapproved. Franchisor assumes no liability to Franchisee or any other party due to Franchisor's approval or disapproval of any advertising, marketing or promotional materials or programs, and Franchisee is responsible for ensuring that all such materials and programs that Franchisee uses and implements comply with all applicable laws, ordinances and regulations. Any materials submitted to Franchisor for its review will become Franchisor's property, and there will be no restrictions on Franchisor's use or distribution of these materials. Franchisor reserves the right to require certain language in local marketing, such as "Franchises Available" and Franchisor's website address and phone number.

7.D. SYSTEM WEBSITES AND ELECTRONIC ADVERTISING

Franchisor or one or more of its designees may establish a website or series of websites for the Freshii Restaurant network to advertise, market and promote Freshii Restaurants and the products and services they offer, the Freshii Restaurant franchise and/or for any other purposes that Franchisor determines are appropriate for Freshii Restaurants (collectively, the "**System Website**"). If Franchisor includes information about the Restaurant on the System Website, Franchisee agrees to give Franchisor the information and materials that Franchisor periodically requests concerning the Restaurant and otherwise participate in the System Website in the manner that Franchisor periodically specifies. By posting or submitting to Franchisor information or materials for the System Website, Franchisee is representing to Franchisor that the information and materials are accurate and not misleading and do not infringe any third party's rights.

Franchisor shall own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website, the log of “hits” by visitors, and any personal or business data that visitors (including Franchisee and its personnel) supply. Franchisor may use the Marketing Fund’s assets to develop, maintain and update the System Website. Franchisor may implement and periodically modify System Standards relating to the System Website and, at Franchisor’s option, may discontinue the System Website, or any services offered through the System Website, at any time.

All advertising, marketing and promotional materials that Franchisee develops for the Restaurant must contain notices of the URL of the System Website in the manner that Franchisor periodically designates. Franchisee may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Restaurant or displays any of the Marks without Franchisor’s prior approval. Franchisee may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Franchisee and its Owner(s) are not permitted to promote the Restaurant or use any of the Marks in any manner on any Social Media (as defined below) without Franchisor’s prior written consent. Franchisor will control all Social Media activities and initiatives. Where permitted by Franchisor to promote the Restaurant or use any of the Marks on Social Media, (i) Franchisee must comply with Franchisor’s System Standards regarding the use of Social Media, including, without limitation, prohibitions on Franchisee and its Owner posting or blogging comments about the Restaurant or the Franchise System, other than on a website established or authorized by Franchisor, (ii) such use of Social Media must comply with the highest standards of honesty, integrity, fair dealing and ethical conduct, and (iii) Franchisee must maintain the applicable Social Media pages, handles, and assets with accurate and current content approved by Franchisor and in accordance with Franchisor’s brand guidelines and instructions. Notwithstanding anything else contained herein, Franchisor reserves the right to conduct any campaign (whether it is collective, national, regional or otherwise) via local Social Media on Franchisee’s behalf. “Social Media” means all social media including, but not limited to, personal or professional blogs, common social networks (such as Facebook and Instagram), professional networks (such as LinkedIn), live-blogging tools (such as Twitter), virtual worlds, file-sharing websites (including audio-sharing and video-sharing), and other similar social networking or media sites or tools.

Nothing in this Section 7.F shall limit Franchisor’s right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to Franchisee.

7.E. LOCAL MARKETING

In addition to any amounts spent for grand opening marketing and the ongoing Marketing Fund contributions set forth herein and, Franchisee shall spend each month throughout the term of this Agreement a minimum amount equal to one and one half percent (1.5%) of Gross Sales on marketing and promotion of the Restaurant in the Designated Territory (“**Local Marketing**”). Local Marketing includes amounts spent to participate in the advertising, marketing and promotional programs that Franchisor periodically recommends or requires, including, without limitation, any regional or local marketing fund (separate from the Marketing Fund) to which Franchisor determines, in its discretion, that Franchisee is to contribute. Franchisor has the authority under this Agreement to periodically determine amounts Franchisee must spend to participate in the advertising, marketing and promotional programs that Franchisor periodically requires, and Franchisee acknowledges that it must vary the amounts it spends on other advertising, marketing and promotional programs in order to spend at least the amounts required by under this Section 7.E.

Franchisee shall submit within thirty (30) days of Franchisor's request, an advertising expenditure report accurately reflecting Franchisee's Local Marketing expenditures, including verification copies of all marketing and any other information that required.

8. RECORDS, REPORTS AND FINANCIAL STATEMENTS

Franchisee agrees to establish and maintain at its own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats that Franchisor periodically specifies. Franchisor may require Franchisee to use the Computer System to maintain certain financial data and other information, in such formats as Franchisor periodically prescribes, and to transmit certain data and information to Franchisor on a schedule that Franchisor periodically specifies. Franchisee also agrees, at its expense, to maintain the Computer System and purchase the hardware and software that Franchisor designates in order to allow Franchisor unlimited access to, and the ability to download, all information in the Computer System at any time. Franchisee also agrees to give Franchisor in the manner and format that Franchisor periodically specifies:

- (a) on or before the Payment Day, a report on the Restaurant's operations during the previous week, including a calculation of Gross Sales;
- (b) within twenty (20) days after the end of each month, the operating statements, financial statements (including a balance sheet and profit and loss statements), statistical reports and other information Franchisor requests regarding Franchisee and the Restaurant covering that month;
- (c) within sixty (60) days after the end of each of Franchisee's fiscal years, annual profit and loss and source and use of funds statements and a balance sheet for the Restaurant as of the end of the previous fiscal year; and
- (d) within thirty (30) days after Franchisor's request, exact copies of federal and state income and other tax returns and any other forms, records, books, reports and other information that Franchisor periodically requires relating to the Restaurant or Franchisee.

Franchisee agrees to verify and sign each report and financial statement in the manner that Franchisor periodically specifies. Franchisor may disclose data derived from these reports, including by creating and circulating reports on the financial results of Franchisee's Restaurant and/or some or all other Freshii Restaurants to other Freshii Restaurant owners and prospective franchisees, but Franchisor will not (without Franchisee's consent) disclose Franchisee's identity in connection with that data, provided that, notwithstanding the foregoing, Franchisor may disclose any such data and in any form (including, without limitation, with or without Franchisee's identity) as may be required by law, order of a court or other adjudicator of competent jurisdiction, or as Franchisor may determine (in its sole discretion) is necessary in connection with any legal action or proceeding (which, for certainty, need to require Franchisor to disclose or identify such action or proceedings, or the nature thereof, to Franchisee).

Franchisee agrees to preserve and maintain all records in a secure location at the Restaurant or other safe location during the term of this Agreement and for at least five (5) years afterward. If Franchisor determines that Franchisee has failed to comply with its reporting or payment obligations under this Agreement, Franchisor may require Franchisee to have audited financial statements prepared annually at Franchisee's expense during the remaining term of this Agreement, in addition to Franchisor's other remedies and rights under the Agreement and applicable law.

9. INSPECTIONS AND AUDITS

9.A. FRANCHISOR'S INSPECTION AND AUDIT

To determine whether Franchisee and the Restaurant are complying with this Agreement and all System Standards, Franchisor and its designated agents and representatives may at all times and without prior notice to Franchisee:

- (1) audit and/or inspect the Restaurant and/or videotape, photograph or otherwise remotely monitor the Restaurant's operations and monitor and test the Operating Assets, whether remotely via the Computer System or by other means;
- (2) observe, photograph, and videotape the operation of the Restaurant (including so-called "mystery shopping") for consecutive or intermittent periods that Franchisor deems necessary;
- (3) remove samples of any food or beverage items, ingredients or other products used or sold at the Restaurant;
- (4) interview the personnel and customers of the Restaurant; and
- (5) inspect and copy any books, records and documents relating to the operation of the Restaurant.

Franchisee agrees to cooperate with Franchisor fully. If Franchisor exercises any of these rights, it will use commercially reasonable efforts not to interfere unreasonably with the operation of the Restaurant.

Franchisee acknowledges that Franchisor (or its designee) may conduct health and safety, quality, service, cleanliness, and other audits and/or inspections of the Restaurant and Franchisee's operations from time to time without notice to Franchisee to determine compliance with this Agreement and the System Standards, and that Franchisee's performance in such inspections must meet Franchisor's standards. Franchisee agrees to present to customers the evaluation forms that Franchisor periodically specifies and to participate and/or request that Franchisee's customers participate in any surveys and other customer satisfaction programs performed by or for Franchisor. In the event that Franchisee fails any such audit or inspection (as determined by Franchisor and, if applicable, in consultation with the party conducting such audit or inspection), Franchisor may require Franchisee to pay to Franchisor an amount to cover the actual and reasonable costs associated with such audit or inspection, and may recover such amounts by any method Franchisor determines, including, without limitation, by automatic debit as contemplated in Section 6.C.

9.B. FRANCHISOR'S RIGHT TO AUDIT

Franchisor may at any time during Franchisee's business hours, and without prior notice to Franchisee, examine the business, bookkeeping and accounting records, sales and income tax records and returns, and other records of the Restaurant. Franchisee agrees to cooperate fully with Franchisor, its representatives and independent accountants in any inspection or audit. If any inspection or audit discloses an understatement of the Gross Sales of the Restaurant, Franchisee agrees to pay, within fifteen (15) days after receiving the inspection or audit report, the Royalty, Marketing Fund contributions, and any other amounts due on the amount of the understatement, plus interest (in the amount described in Section 6.D) from the date originally due until the date of payment. Further, if an inspection or audit is necessary due to Franchisee's failure to furnish reports, supporting records or other information as required, or to furnish these items on a timely basis, or if Franchisor's examination reveals a Royalty understatement exceeding

two percent (2%) of the amount that Franchisee actually reported to Franchisor for the period examined, Franchisee agrees to reimburse Franchisor for the cost of its examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of Franchisor's employees. These remedies are in addition to Franchisor's other remedies and rights under this Agreement and applicable law.

10. MARKS

10.A. OWNERSHIP AND GOODWILL OF MARKS

Franchisee's right to use the Marks is derived only from this Agreement and is limited to Franchisee's operating the Restaurant according to this Agreement and all mandatory System Standards that Franchisor prescribes during its term. Franchisee's unauthorized use of the Marks is a breach of this Agreement and infringes Franchisor's (and its licensor's) rights in the Marks. Any use of the Marks relating to the Restaurant, and any goodwill established by that use, are for Franchisor's (and its licensor's) exclusive benefit. This Agreement does not confer any goodwill or other interests in the Marks upon Franchisee, other than the right to operate the Restaurant according to this Agreement. All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks that Franchisor periodically authorizes Franchisee to use. Franchisee may not at any time during or after the term of this Agreement contest or assist any other person in contesting the validity, or Franchisor's (or its licensor's) ownership, of the Marks.

10.B. LIMITATIONS ON USE OF MARKS

Franchisee agrees to use the Marks as the sole identification of the Restaurant, subject to the notices of independent ownership that Franchisor periodically designates. Franchisee may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos that Franchisor has licensed to Franchisee), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, metatag or otherwise in connection with any website or other online presence without Franchisor's consent, or (5) in any other manner that Franchisor has not expressly authorized in writing. Franchisee may not use any Mark in advertising the transfer, sale or other disposition of the Restaurant or an ownership interest in Franchisee any Owner without Franchisor's prior written consent, which Franchisor will not unreasonably withhold. Franchisee agrees to give the notices of trademark and service mark registrations that Franchisor periodically specifies and obtain any fictitious or assumed name registrations that applicable law requires.

10.C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS

Franchisee agrees to notify Franchisor immediately of any actual or apparent infringement of or challenge to Franchisee's use of any Mark, or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. Franchisee agrees not to communicate with any person other than Franchisor and its licensor, their respective attorneys, and Franchisee's attorneys regarding any infringement, challenge or claim. Franchisor and its licensor may take the action that they deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. Franchisee agrees to sign any documents and take any other reasonable actions that, in the opinion of Franchisor's or its licensor's attorneys, are necessary or advisable to protect and maintain Franchisor's (and its licensor's) interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain Franchisor's (and its licensor's) interests in the Marks.

10.D. DISCONTINUANCE OF USE OF MARKS

If Franchisor believes at any time that it is advisable for Franchisor and/or Franchisee to modify, discontinue using and/or replace any Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor need not reimburse Franchisee for Franchisee's expenses in complying with these directions (such as costs that Franchisee incurs in changing the signs or replacing supplies for the Restaurant), for any loss of revenue due to any modified or discontinued Mark, or for Franchisee's expenses of promoting a modified or substitute trademark or service mark.

11. CONFIDENTIAL INFORMATION AND INNOVATIONS

11.A. CONFIDENTIAL INFORMATION

Franchisor and its affiliates possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to the development and operation of Freshii Restaurants (the "**Confidential Information**"), which includes:

- (1) site selection and market development plans, standards and criteria;
- (2) layouts, designs, and other plans and specifications for Freshii Restaurants;
- (3) the Operations Manual, and methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Freshii Restaurants;
- (4) marketing research and promotional, marketing and advertising programs for Freshii Restaurants;
- (5) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials and supplies that Freshii Restaurants use and sell;
- (6) knowledge of the operating results and financial performance of Freshii Restaurants other than the Restaurant;
- (7) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;
- (8) all data and all other information generated by, or used or developed in, the operation of Freshii Restaurants, including customer names, contact information and related information ("**Customer Data**"); and
- (9) any other information that Franchisor reasonably designates as confidential or proprietary.

Franchisee will not acquire any interest in any Confidential Information, other than the right to use certain Confidential Information as Franchisor specifies in operating the Restaurant during the term of this Agreement and according to the System Standards and the other terms and conditions of this Agreement. Franchisee acknowledges that its use of any Confidential Information in any other business would constitute an unfair method of competition with Franchisor and its franchisees. Franchisee acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's and its affiliates' trade secrets, and

is disclosed to Franchisee only on the condition that Franchisee and its Owners agree, and it and they do agree, that Franchisee and its Owners:

(a) will not use any Confidential Information (including the Customer Data) in any other business or capacity and will keep the Confidential Information absolutely confidential, both during and after the term of this Agreement (afterward for as long as the information is not generally known in the restaurant industry);

(b) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(c) will adopt and implement all reasonable procedures that Franchisor periodically specifies to prevent unauthorized use or disclosure of Confidential Information, including disclosing it only to Restaurant personnel and others needing to know such Confidential Information to operate the Restaurant, and requiring the General Manager, other Restaurant managers and such other employees of Franchisee that Franchisor periodically designates who will have access to such information to execute the non-competition and confidentiality agreement in the form attached as Exhibit D (the “**Confidentiality and Non-Competition Agreement**”). Franchisee shall provide Franchisor, at its request, executed originals of each such Confidentiality and Non-Competition Agreement; and

(d) will not sell, trade or otherwise profit in any way from the Confidential Information, except during the term of this Agreement using methods that Franchisor has approved.

“**Confidential Information**” does not include information, knowledge or know-how which is or becomes generally known in the restaurant industry or which Franchisee knew from previous business experience before Franchisor provided it to Franchisee (directly or indirectly) or before Franchisee began training or operating the Restaurant. If Franchisor includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is applicable.

11.B. INNOVATIONS

All ideas, concepts, techniques or materials relating to a Freshii Restaurant (“**Innovations**”), whether or not protectable intellectual property and whether created by or for Franchisee or its Owners, employees or contractors, must be promptly disclosed to Franchisor and will be deemed to be Franchisor’s sole and exclusive property and works made-for-hire for Franchisor. To the extent any Innovation does not qualify as a “work made-for-hire” for Franchisor, by this paragraph Franchisee assigns ownership of that item, and all related rights to that item, to Franchisor and agrees to sign (and to cause its Owners, employees and contractors to sign) whatever assignment or other documents that Franchisor periodically requests to evidence Franchisor’s ownership and to help Franchisor obtain intellectual property rights in the item. Franchisee may not use any Innovation in operating the Restaurant or otherwise without Franchisor’s prior approval.

12. EXCLUSIVE RELATIONSHIP

Franchisee acknowledges that Franchisor has granted Franchisee the rights under this Agreement in consideration of and reliance upon Franchisee’s (and its Owners’) agreement to deal exclusively with Franchisor with respect to the products and services that Freshii Restaurants offer. Franchisee therefore agrees that, during the term of this Agreement, neither Franchisee nor any of its Owners, nor any members of their Immediate Families (defined below), will:

(a) have any direct or indirect, controlling or non-controlling interest as an owner - whether of record, beneficial or otherwise - in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not prohibit the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding;

(b) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business, wherever located or operating;

(c) directly or indirectly loan any money or other thing of value to, or guarantee any other person's loan to, any Competitive Business or any owner, director, officer, manager, employee or agent of any Competitive Business, wherever located or operating; or

(d) divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business.

The term “**Competitive Business**” means any business that (i) offers fresh, made-to-order meals (including salads, soups, burritos, and/or rice bowls, but excluding sandwiches) in a format that allows the customer to choose among various ingredients to create individual meal options; (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice establishment; and/or (iii) grants franchises or licenses to, or enters into joint ventures with, others to operate a business described in subsection (i) or (ii). For clarification, a Freshii Restaurant operated under a franchise agreement with Franchisor is not considered a Competitive Business for the purposes of this Agreement. The term “**Immediate Family**” includes the named individual, his or her spouse, and all children of the named individual or his or her spouse.

Franchisee agrees to obtain similar covenants from its personnel whom Franchisor specifies, including officers, directors, the General Manager, other Restaurant managers, and employees attending Franchisor's training program or having access to Confidential Information. Franchisor has the right to regulate the form of agreement that Franchisee uses and to be a third party beneficiary of that agreement with independent enforcement rights.

13. TRANSFER

13.A. TRANSFER BY FRANCHISOR

Franchisee represents that it has not signed this Agreement in reliance on any owner's, officer's or employee's remaining with Franchisor in that capacity. Franchisor may change its ownership or form and/or assign this Agreement without restriction. This Agreement will inure to the benefit of any transferee or other legal successor to Franchisor's interest in it. After Franchisor's assignment of this Agreement to a third party who expressly assumes Franchisor's obligations under this Agreement, Franchisor no longer will have any performance or other obligations under this Agreement. Such an assignment shall constitute a release of Franchisor and novation with respect to this Agreement, and the assignee shall be liable to Franchisee as if it had been an original party to this Agreement.

13.B. TRANSFER BY FRANCHISEE AND DEFINITION OF TRANSFER

Franchisee acknowledges that the rights and duties this Agreement creates are personal to Franchisee and its Owners and that Franchisor has granted Franchisee the rights under this Agreement in reliance upon Franchisor's perceptions of Franchisee's and its Owners' individual or collective character, skill, aptitude, business ability and financial capacity. Therefore, Franchisee and its Owners agree that:

(1) no ownership interest in Franchisee or in any entity that directly or indirectly holds a Controlling Interest (defined below) in Franchisee;

(2) no obligations, rights or interest of Franchisee in this Agreement, the Restaurant or all or substantially all of the Operating Assets; and

(3) no right to receive all or a portion of the profits or losses of Franchisee or Restaurant, nor any capital appreciation relating to Franchisee or the Restaurant

may be transferred without the prior written consent of Franchisor. A transfer of the ownership, possession or control of the Restaurant or all or substantially all of the Operating Assets may be made (subject to Franchisor's rights below) only with a transfer of this Agreement. Any purported transfer in violation of this Section shall constitute a breach of this Agreement and shall convey to the transferee no rights or interests in the foregoing.

In this Agreement, the term “**transfer**” shall include the following, whether voluntary or involuntary, conditional, direct or indirect: (i) assignment, sale, gift or other disposition; (ii) the grant of a mortgage, charge, pledge, lien or security interest, including the grant of a collateral assignment, excluding only an equipment lease arrangement or financing arrangement for equipment on arm's-length terms; (iii) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; (iv) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control (directly or indirectly) the operations or affairs of Franchisee; and (v) a management agreement whereby Franchisee delegates any of its obligations under this Agreement or any or all of the management functions with respect to the Restaurant. In addition, a transfer (as defined above) will include any transfer by virtue of divorce; insolvency; dissolution of a business entity; will; intestate succession; declaration of or transfer in trust; or foreclosure, attachment, seizure or otherwise by operation of law.

Although an ownership interest in any entity that directly or indirectly hold an ownership interest, but not a Controlling Interest, in Franchisee may be transferred without Franchisor's prior written consent under this Section 13.B, Franchise must (a) provide notice of any such transfer to Franchisor within ten (10) days after its completion, and (b) ensure that each new Owner as a result of any such transfer signs and delivers to Franchisor, within thirty (30) days after its completion, an agreement in the form that Franchisor periodically specifies undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor (or its affiliate).

In this Agreement, the term “**Controlling Interest**” in a business entity means the greater of: (a) the percent of the voting shares or other voting rights in the entity that results from dividing one hundred percent (100%) of the ownership interests by the number of owners, with the determination of whether a “Controlling Interest” is involved being made as of both immediately before and immediately after the proposed transfer; or (b) twenty percent (20%) of the voting shares or other voting rights in the legal entity. In addition, regardless of whether the thresholds in (a) or (b) are satisfied, the effective control of the power to direct or cause the direction of an entity's management and policies constitutes a Controlling Interest.

13.C. FRANCHISOR'S RIGHT TO APPROVE TRANSFERS

If Franchisee or any Owner intends to transfer any interest which, under Section 13.B, requires Franchisor's prior written consent, Franchisee shall deliver to Franchisor written notice of such proposed transfer, with such detail as Franchisor reasonably specifies, at least thirty (30) days before its intended

effective date. Franchisor shall have fifteen (15) days following delivery of such notice within which to evaluate the proposed transaction and to notify Franchisee of its approval or disapproval (with reasons) of the proposed transfer. Franchisor will not unreasonably withhold its approval. If approved, the transfer must take place in full compliance with all applicable laws, as described in the notice (as modified by any conditions imposed by Franchisor in granting its approval), and within thirty (30) days of the delivery of notice of Franchisor's approval. Any new Owner must, as a condition of Franchisor's approval of any transfer, sign Franchisor's then current term of guarantee and assumption of Franchisee's obligations.

13.D. CONDITIONS FOR APPROVAL OF CONTROL TRANSFERS

If the proposed transfer is of this Agreement or a direct or indirect Controlling Interest in Franchisee, or is one of a series of transfers (regardless of the period of time over which these transfers take place) which in the aggregate transfer this Agreement or a direct or indirect Controlling Interest in Franchisee, then, without limiting Franchisor's other rights (including under Sections 13.C and 13.G), Franchisor may impose other reasonable conditions on its approval of the proposed transfer, including that:

- (1) the proposed transferee and owners demonstrate that they have sufficient business experience, aptitude and financial resources to operate the Restaurant;
- (2) Franchisee has paid all required Royalties, Marketing Fund contributions and other amounts owed to Franchisor and its affiliates, has submitted all required reports and statements, and is not in violation of any provision of this Agreement, any other agreement with Franchisor or its affiliate, or the Lease;
- (3) neither the transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in or performs services for a Competitive Business;
- (4) any new General Manager is reasonably acceptable to Franchisor and completes to Franchisor's satisfaction Franchisor's then current training program;
- (5) the transferee and each of its owners (if the transfer is of this Agreement), or Franchisee and its Owners (if the transfer is of a direct or indirect Controlling Interest in Franchisee), agrees, at Franchisor's option, to (a) be bound by all terms and conditions of this Agreement for the remainder of the term, or (b) sign Franchisor's then current form of standard franchise agreement and related documents for a Freshii Restaurant, the provisions of which (including the fees and the rights in, and geographic area comprising, the Territory) may differ materially from those contained in this Agreement, except that the term of such franchise agreement shall be the remaining term of this Agreement;
- (6) Franchisee, the transferring Owner of the proposed purchaser pays a transfer fee of Ten Thousand Dollars (\$10,000) to Franchisor;
- (7) the transferee agrees to repair and/or replace the Operating Assets and upgrade the Restaurant in accordance with Franchisor's then current requirements and specifications for new Freshii Restaurants within the time period that Franchisor specifies following the effective date of the transfer;
- (8) Franchisee and the transferring Owners sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective owners, officers, directors, employees, and agents, for matters arising on or before the effective date of the transfer;

(9) Franchisor determines that the purchase price and payment terms will not adversely affect the operation of the Restaurant;

(10) if any part of the sale price is financed by the transferor, the transferor agrees, in a manner satisfactory to Franchisor, that all obligations of the purchaser under any promissory notes, agreements or security interests reserved to the transferor be subordinate to any obligations of the purchaser to pay Royalties, Marketing Fund contributions and other amounts then or thereafter due to Franchisor and its affiliates and all interests of Franchisor or its designee in connection with any right of first refusal or purchase option;

(11) Franchisee or, if applicable, the transferring Owners (and members of their Immediate Families) sign a noncompetition undertaking in favor of Franchisor and the transferee, which undertaking shall contain the restrictions in Section 16.D below; and

(12) Franchisee and its transferring Owners agree not to directly or indirectly at any time thereafter or in any manner (except with respect to Freshii Restaurants that any of them owns or operates): (a) identify themselves or any business as a current or former Freshii Restaurant or as one of Franchisor's franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of a Freshii Restaurant in any manner or for any purpose; or (c) utilize for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that suggests or indicates a connection or association with Franchisor.

Franchisor has the right, but no obligation, to review all information regarding the Restaurant that Franchisee gives the transferee and to give the transferee copies of any reports that Franchisee has given Franchisor or that Franchisor has made regarding the Restaurant.

13.E. DEATH OR INCAPACITY

Upon the death or permanent incapacity of an Owner of Franchisee, all of such person's direct or indirect interest in Franchisee must be transferred to a transferee approved by Franchisor within a reasonable time, not to exceed nine (9) months from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to transfers contained in this Section 13. Failure to so transfer such ownership interest within such period of time shall constitute a breach of this Agreement.

13.F. EFFECT OF CONSENT TO TRANSFER

Franchisor's consent to a transfer under this Section 13 is not a waiver of any claims it might have against Franchisee (or its Owners), nor a waiver of Franchisor's right to demand Franchisee's (or the transferee's) full compliance with this Agreement. Franchisor's approval of any proposed transfer indicates only that the transferee meets, or that Franchisor has waived, Franchisor's then current criteria for Freshii Restaurant franchisees and is not a warranty or guaranty by Franchisor, express or implied, of the suitability of the terms of sale or of the successful operation or profitability of the transferee or the Restaurant.

13.G. FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or any of its Owners at any time determines to sell or transfer for consideration an interest in this Agreement and the Restaurant (or all or substantially all of its Operating Assets) or a direct or indirect Controlling Interest in Franchisee, whether in one transfer or a series of related transfers (except to or among Franchisee's Owners as of the Agreement Date or in a transfer pursuant to Section 13.E, which are not subject to this Section 13.G), Franchisee agrees to obtain from a responsible and fully disclosed

buyer, and send Franchisor, a true and complete copy of a bona fide, executed written offer (which may be a letter of intent) relating exclusively to this Agreement and the Restaurant or direct or indirect Controlling Interest in Franchisee. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price and must provide for an earnest money deposit of at least ten percent (10%) of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a fixed dollar amount and without any contingent payments of purchase price (such as earn-out payments) and the proposed transaction must relate exclusively to an interest in this Agreement and the Restaurant (or all or substantially all of its Operating Assets) or a direct or indirect Controlling Interest in Franchisee and not to any other interests or assets. Franchisor may require Franchisee (or its Owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Franchisor may, by delivering written notice to Franchisee within thirty (30) days after Franchisor receives both an exact copy of the offer and all other information that Franchisor requests, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (1) Franchisor may substitute cash for any form of payment proposed in the offer; (2) Franchisor's credit will be deemed equal to the credit of any proposed buyer; (3) the closing will be not less than thirty (30) days after notifying Franchisee of Franchisor's election to purchase or, if later, the closing date proposed in the offer; and (4) Franchisor must receive, and Franchisee and its Owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or ownership interests in a legal entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant prior to the closing of Franchisor's purchase. If Franchisor exercises its right of first refusal, Franchisee and its transferring Owners agree that, for two (2) years beginning on the closing date, Franchisee or the transferring Owners (and members of their Immediate Families) will be bound by the non-competition covenants contained in Section 16.D.

If Franchisor does not exercise its right of first refusal, Franchisee or its Owner(s) may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor approves the transfer as provided in this Section 13. If Franchisee or its Owners do not complete the sale to the proposed buyer within sixty (60) days after Franchisor notifies Franchisee that Franchisor does not intend to exercise its right of first refusal, or if there is a material change in the terms of the sale (which Franchisee agrees to tell Franchisor promptly), Franchisor will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's option. Franchisor has the unrestricted right to assign this right of first refusal to a third party (including an affiliate), who then will have the rights described in this Section 13.G.

14. EXPIRATION OF THIS AGREEMENT

When this Agreement expires (unless it is terminated sooner), Franchisee will have the right to acquire a successor franchise and continue operating the Restaurant as a Freshii Restaurant for a ten (10)-year term under Franchisor's then current form of agreement, but only if Franchisee has:

- (a) given Franchisor written notice of Franchisee's election to acquire a successor franchise at least ninety (90) days, but not more than one hundred eighty (180) days, before the end of the term of this Agreement,

(b) complied with all of its obligations under this Agreement and all other agreements with Franchisor or its affiliate throughout their terms, and

(c) at Franchisee's option, either (i) remodeled and upgraded the Restaurant and otherwise brought the Restaurant into full compliance with the specifications and standards then applicable for new Freshii Restaurants before this Agreement expires, or (ii) agreed to relocate the Restaurant to a substitute site that Franchisor has approved and construct and develop a new Freshii Restaurant at that site.

To acquire a successor franchise, Franchisee and its Owners agree to:

(i) sign Franchisor's then current form of franchise agreement (and related documents), which may contain terms and conditions (including the fees and the rights in, and geographic area comprising, the Territory) that differ materially from any or all of those in this Agreement, modified to reflect the fact it is for a successor franchise, except that such franchise agreement will not grant any rights to a renewal or successor franchise;

(ii) pay Franchisor the standard initial franchise fee that Franchisor then charges under such franchise agreement; and

(iii) sign a general release in the form that Franchisor specifies as to any and all claims against Franchisor, its affiliates and their respective owners, officers, directors, employees, agents, representatives, successors and assigns.

If Franchisee fails to sign and return to Franchisor the documents referenced in (i) and (iii) above, and pay the initial franchise fee referenced in (ii) above, within thirty (30) days after Franchisor delivers those documents to Franchisee, that will be deemed Franchisee's election not to acquire a successor franchise. If Franchisee (and each of its Owners) are not, both on the date Franchisee gives Franchisor written notice of Franchisee's election to acquire a successor franchise and on the date on which this Agreement expires, in full compliance with this Agreement and all other agreements with Franchisor or its affiliate, Franchisee acknowledges that Franchisor need not grant Franchisee a successor franchise, whether or not Franchisor had, or chose to exercise, the right to terminate this Agreement during its term under Section 15.

15. TERMINATION OF AGREEMENT

15.A. TERMINATION BY FRANCHISOR

Without limiting Franchisor's termination and other rights and remedies under any other agreement with Franchisee or its affiliates, Franchisor may terminate this Agreement, effective upon delivery of written notice of termination to Franchisee, if:

(1) Franchisee or any of its Owners has made or makes a material misrepresentation or omission in acquiring the rights under this Agreement or operating the Restaurant;

(2) the General Manager or any other Restaurant personnel that Franchisor required to attend any portion of Franchisor's initial training programs does not satisfactorily complete that training;

(3) Franchisee fails to open and begin continuously operating the Restaurant on or before the date specified in Section 2.F;

(4) Franchisee abandons or fails actively to operate the Restaurant for three (3) or more consecutive calendar days, unless Franchisee closes the Restaurant for a purpose that Franchisor approves or because of casualty;

(5) Franchisee surrenders or transfers control of the operation of the Restaurant or loses the right to occupy the Restaurant without Franchisor's prior written consent;

(6) Franchisee or any of its Owners is convicted by a trial court of, or pleads no contest to, a felony;

(7) Franchisee fails to maintain the insurance Franchisor requires from time to time, and/or Franchisee fails to provide Franchisor with proof of such insurance as this Agreement requires, and does not correct the failure within ten (10) days after Franchisor delivers written notice of that failure to Franchisee;

(8) Franchisee interferes with Franchisor's right to inspect the Restaurant or observe or videotape its operation, as provided in Section 9;

(9) Franchisee or any of its Owners engages in any dishonest, unethical or illegal conduct which, in Franchisor's reasonable opinion, adversely affects or might adversely affect the reputation of the Restaurant, the reputation of other Freshii Restaurants or the goodwill associated with the Marks;

(10) Franchisee or any of its Owners makes or attempts to make a transfer in violation of this Agreement;

(11) Franchisee defaults under any other agreement between Franchisor and Franchisee, or defaults under any lease, sublease, loan agreement, security interest, or otherwise, whether such agreement is with Franchisor, any affiliate of Franchisor and/or any third party. Additionally, any default by Franchisee under this Agreement may be regarded as a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee;

(12) Franchisee or any of its Owners breaches Section 12 of this Agreement or knowingly makes any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

(13) Franchisee violates any health, safety or sanitation law, ordinance or regulation, or operates the Restaurant in an unsafe manner, and does not begin to cure the violation immediately, and correct the violation within forty-eight (48) hours, after Franchisee receives notice;

(14) Franchisee fails to pay when due any federal, state or local income, service, sales or other taxes due on the operation of the Restaurant, or repeatedly fails to make or delays making payments to its suppliers or lenders, unless Franchisee is in good faith contesting its liability for these taxes or payments;

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

(16) Franchisee or any of its Owners fails on three (3) or more separate occasions within any twelve (12) consecutive month period to pay when due any amounts due to Franchisor (or its affiliate) or otherwise comply with any one or more obligations under this Agreement, whether or

not any of these failures are corrected after Franchisor delivers written notice to Franchisee and whether these failures involve the same or different obligations under this Agreement;

(17) Franchisee or any of its Owners fails on two (2) or more separate occasions within any six (6) consecutive month period, or on three (3) or more separate occasions within any thirty-six (36) consecutive month period, to comply with the same obligation under this Agreement, whether or not any of these failures are corrected after Franchisor delivers written notice to Franchisee;

(18) Franchisee makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of its property; the Restaurant or any of the Operating Assets is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of Franchisee or the Restaurant is not vacated within thirty (30) days following the order's entry;

(19) Franchisee fails to pay Franchisor (or its affiliate) any amounts due, whether under this Agreement or any other agreement or arrangement, and does not correct the failure within ten (10) days after Franchisor delivers written notice of that failure to Franchisee;

(20) Franchisee or any of its Owners fails to comply with the covenants of Sections 12 or 16.D; or

(21) Franchisee fails to comply with any other provision of this Agreement or the Operations Manual, or any mandatory System Standard, and does not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Franchisee.

15.B. ASSUMPTION OF MANAGEMENT

Franchisor has the right (but not the obligation), under the circumstances described below and upon delivery of written notice to Franchisee, to enter the Restaurant's premises and assume the management of the Restaurant itself or appoint a third party (who may be an affiliate of Franchisor) to manage the Restaurant. All funds from the operation of the Restaurant while Franchisor or its appointee assumes its management will be kept in a separate account, and all of the expenses of the Restaurant will be charged to that account. Franchisor or its appointee may charge Franchisee (in addition to the Royalty and other amounts due under this Agreement) a management fee equal to ten percent (10%) of the Restaurant's Gross Sales during the period of management, plus any direct out-of-pocket costs and expenses, if Franchisor or its appointee assumes the management of the Restaurant under this Section 15.B. Franchisor or its appointee has a duty to utilize only reasonable efforts and will not be liable to Franchisee for any debts, losses or obligations the Restaurant incurs, or to any of Franchisee's creditors for any products or services the Restaurant purchases, while managing it. Franchisee shall not take any action or fail to take any action that interferes with Franchisor's or its appointee's exclusive right to manage the Restaurant.

Franchisor or its appointee may assume the Restaurant's management pursuant to this Section 15.B if: (1) the Restaurant is not being managed by an approved and trained General Manager; (2) Franchisee abandons or fails actively to operate the Restaurant for any period; (3) Franchisee fails to comply with any provision of this Agreement or any System Standard and does not correct the failure within the time period, if any, that Franchisor specifies in its notice to Franchisee (which might be less than the cure period specified for such failure in Section 15.A); (4) this Agreement expires or is terminated and Franchisor is deciding whether to exercise the option under Section 16.E; or (5) Franchisor (or its designee) has exercised

the option under Section 16.E and the parties are awaiting the closing of that purchase. Franchisor's (or its appointee's) management of the Restaurant shall continue until Franchisor's delivery of written notice to Franchisee. Franchisor's exercise of its rights under this Section 15.C will not affect its right to terminate this Agreement under Section 15.A.

16. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

16.A. PAYMENT OF AMOUNTS OWED

Franchisee agrees to pay within fifteen (15) days after this Agreement expires or is terminated, average monthly Royalties, Marketing Fund contributions and interest and all other amounts owed to Franchisor or its affiliates which then are unpaid, including Franchisor's damages arising from the termination of this Agreement. In addition, if we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination, liquidated damages, equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied the number of months remaining in the Agreement had it not been terminated.

16.B. DE-IDENTIFICATION

When this Agreement expires or is terminated for any reason, and except with respect to franchise agreements with Franchisor then in effect:

(1) beginning on the De-identification Date (defined below), Franchisee and its Owners shall not directly or indirectly at any time thereafter or in any manner: (a) identify themselves or any business as a current or former Freshii Restaurant or as one of Franchisor's current or former franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or any other indicia of a Freshii Restaurant in any manner or for any purpose; or (c) use for any purpose any trade dress, trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with Franchisor;

(2) Franchisee agrees promptly to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to its use of any Mark;

(3) (i) if Franchisor does not exercise the option under Section 16.E below, within three (3) days after the De-identification Date, Franchisee agrees to deliver to Franchisor all signs, sign faces, sign cabinets, advertising, marketing and promotional materials, forms, menus, paper goods, and other materials containing any Mark or otherwise identifying or relating to a Freshii Restaurant that Franchisor requests and allow Franchisor, without liability to Franchisee or third parties, to remove these items from the Restaurant and (ii) Franchisee agrees to allow Franchisor or its third party designees, without liability to Franchisee or such third party designees, to remove such items contemplated by clause (i) of this Section 16.B(c) from the Restaurant, whether or not Franchisor has exercised the option under Section 16.E below, if upon expiration or termination of this Agreement, Franchisee continues to operate the Restaurant notwithstanding that the Agreement has expired or been terminated;

(4) if Franchisor does not exercise the option under Section 16.E below, within three (3) days after the De-identification Date, Franchisee agrees, at its own expense, to make the

alterations that Franchisor specifies to distinguish the Restaurant clearly from its former appearance and from other Freshii Restaurants in order to prevent public confusion; and

(5) Franchisee agrees to give Franchisor from time to time upon request evidence satisfactory to Franchisor of Franchisee's compliance with these obligations.

The "**De-identification Date**" means: (i) if Franchisor exercises the option under Section 16.F, the closing date of Franchisor's (or its designee's) purchase of the Restaurant's assets; or (ii) if Franchisor does not exercise the option under Section 16.E, the date upon which that option expires or the date upon which Franchisor provides Franchisee written notice of its decision not to exercise, or to withdraw its previous exercise, of that option, whichever occurs first.

16.C. CONFIDENTIAL INFORMATION

When this Agreement expires or is terminated, beginning on the De-identification Date, Franchisee (and its owners) agrees to immediately cease using any Confidential Information in any business or otherwise and return to Franchisor all copies of the Operations Manual and any other confidential materials that Franchisor has loaned Franchisee. Franchisee may not sell, trade or otherwise profit in any way from any Confidential Information (including Customer Data) at any time following the expiration or termination of this Agreement.

16.D. COVENANT NOT TO COMPETE

Upon Franchisor's termination of this Agreement for any reason, or expiration of this Agreement (without the grant of a successor franchise), Franchisee and its Owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 16.D begin to comply fully with this Section 16.D, whichever is later, and except in connection with other Freshii Restaurants operating under effective franchise agreements with Franchisor, neither Franchisee nor any of its Owners, nor any member of their Immediate Families, will:

(1) have any direct or indirect, controlling or non-controlling interest as an owner – whether of record, beneficial or otherwise – in any Competitive Business which is located or operating:

(a) within the Territory (including at the Restaurant's site), or

(b) within three (3) miles of any other Freshii Restaurant in operation or under construction on the effective date of the termination or expiration,

provided that this restriction will not prohibit the ownership of shares of a class of securities which are publicly traded on a United States stock exchange representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding; or

(2) perform services as a director, officer, manager, employee, consultant, representative or agent for a Competitive Business which is located or operating:

(a) within the Territory (including at the Restaurant's site), or

(b) within three (3) miles of any other Freshii Restaurant in operation or under construction on the effective date of the termination or expiration.

These restrictions also apply after transfers and other events, as provided in Section 13 above. Franchisee (and each of its Owners) expressly acknowledges that it (and they) possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcing the covenants made in this Section 13.D will not deprive them of personal goodwill or the ability to earn a living.

16.E. OPTION TO PURCHASE OPERATING ASSETS

(1) Exercise of Option

Upon termination of this Agreement for any reason, or expiration of this Agreement (without the grant of a successor franchise), Franchisor has the option, exercisable by giving Franchisee written notice within fifteen (15) days after the date of termination or expiration, to purchase those Operating Assets and other assets associated with the operation of the Restaurant that Franchisor designates (the “**Purchased Assets**”). Franchisor has the unrestricted right to exclude any assets it specifies from the Purchased Assets and not acquire them. Franchisor also has the unrestricted right to assign this option to purchase to a third party (including an affiliate) (a “**Third Party Purchaser**”), who will then have the rights and obligations described in this Section 16.E.

Franchisor is entitled to all customary representations, warranties and indemnities in its asset purchase, including representations and warranties as to ownership and condition of, and title to, assets, liens and encumbrances on assets, validity of contracts and agreements, and the liabilities affecting the assets, contingent or otherwise, and indemnities for all actions, events and conditions that existed or occurred in connection with the Restaurant prior to the closing of its purchase. If Franchisee or one of its affiliates owns the site upon which the Restaurant is located, Franchisor may elect to include a fee simple interest in that site as part of the assets purchased or, at Franchisor's option, lease that site from Franchisee or such affiliate for an initial five (5)-year term with one (1) renewal term of five (5) years (at Franchisor's option) on commercially reasonable terms. If Franchisee leases the Restaurant's site from an unaffiliated lessor, Franchisee agrees (at Franchisor's option) to assign the Lease to Franchisor or to enter into a sublease for the remainder of the Lease term on the same terms (including renewal options) as the Lease.

(2) Purchase Price

The purchase price for the Purchased Assets will be their fair market value. However, the purchase price will not include any value for any rights granted by this Agreement, goodwill attributable to the Marks or the Franchise System, Franchisor's brand image and other intellectual property or participation in the network of Freshii Restaurants. If Franchisor and Franchisee cannot agree on the purchase price within fifteen (15) days after Franchisor's delivery of notice exercising this option, then Franchisor will designate one (1) independent appraiser to determine the purchase price. Franchisor and Franchisee will share equally the appraiser's fees and expenses. Within ten (10) days after Franchisor designates the appraiser, Franchisor and Franchisee each must submit to the appraiser its respective calculations of the purchase price, prepared in accordance with the terms and conditions of this Subsection E and with such detail and supporting information as the appraiser requires. Within twenty (20) days after the deadline for submitting such purchase price calculations, the appraiser must decide whether Franchisor's proposed purchase price or Franchisee's proposed purchase price most accurately reflects the fair market value of the Purchased Assets, determined in accordance with this Subsection E. The appraiser has no authority to compromise between the two proposed purchase prices, but instead is authorized to choose only one or the other. The appraiser's choice shall be the purchase price and shall be final and binding on Franchisor and Franchisee.

(3) Closing

Franchisor will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined, although Franchisor may decide after the purchase price is determined not to complete the purchase without any liability to Franchisee. Franchisor may set off against the purchase price, and reduce the purchase price by, any and all amounts that Franchisee owes Franchisor (or its affiliates). At the closing, Franchisee agrees to deliver instruments transferring to Franchisor: (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and transfer taxes paid by Franchisee; and (b) all of the Restaurant's licenses and permits which may be assigned or transferred.

If Franchisee cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. Franchisee further agrees to sign general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates and their respective owners, officers, directors, employees, agents, representatives, successors and assigns. If Franchisor exercises its rights under this Subsection F, then for two (2) years beginning on the closing date, Franchisee and its Owners (and members of their Immediate Families) will be bound by the non-competition covenants contained in Section 16.D.

(4) Use of Assets

Franchisee hereby grants to Franchisor or the Third Party Purchaser, as applicable, upon election by Franchisor or the Third Party Purchaser, as applicable, to purchase the Purchased Assets in accordance with this Section 16.E, an irrevocable, transferable, sublicensable, royalty free, worldwide, fully paid up license to take possession of, use, hold, move, operate and modify the Purchased Assets for any purpose Franchisor or the Third Party Purchaser, as applicable, determines. Such license shall automatically terminate upon completion of the closing of the purchase contemplated by this Section 16.E.

16.F. CONTINUING OBLIGATIONS

All of Franchisor's and Franchisee's (and its Owners') obligations hereunder which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

17. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

17.A. INDEPENDENT CONTRACTORS

Franchisee understands and agrees that it is and will be Franchisor's independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of Franchisee's employees will be considered to be Franchisor's employees. Neither Franchisee nor any of Franchisee's employees whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be Franchisor's employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement to certify certain of Franchisee's employees for qualification to perform certain functions for the

Franchised Restaurant does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee.

Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of the Franchised Restaurant and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in the Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Restaurant, which Franchisee alone control, but only constitute standards Franchisee must adhere to when exercising its control of the day-to-day operations of the Franchised Restaurant.

Franchisee may not, without Franchisor's prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, Franchisor may not control or have access to Franchisee's funds or the expenditure of Franchisee's funds or in any other way exercise dominion or control over the Franchised Restaurant. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between the parties other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to its operation of the Franchised Restaurant.

17.B. NO LIABILITY FOR ACTS OF OTHER PARTY

Franchisor and Franchisee agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than franchisor and franchisee. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Restaurant or the business Franchisee conducts under this Agreement. Franchisee understands and agrees that nothing in this Agreement authorizes it or any of the Owners to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in our name, and that the Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Owners or any claim or judgment arising therefrom.

17.C. TAXES

Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon Franchisee or the Restaurant, due to the business Franchisee conducts (except any taxes Franchisor is required by law to collect from Franchisee for purchases from Franchisor and Franchisor's income taxes). Franchisee is responsible for paying such taxes, and shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Restaurant.

17.D. INDEMNIFICATION

To the fullest extent permitted by law, Franchisee agrees to indemnify, defend and hold harmless Franchisor, its affiliates and their respective owners, directors, officers, employees, agents, representatives, successors and assigns (the "**Indemnified Parties**") from and against, and to reimburse any one or more of

the Indemnified Parties for, any and all claims, losses, obligations and damages (including, without limitation, the costs and fees described in Section 18.C) directly or indirectly arising out of or relating to: (1) the operation of the Restaurant, (2) the business Franchisee conducts under this Agreement, (3) Franchisee's breach of this Agreement or any other agreement with Franchisor or its affiliate, or (4) noncompliance or alleged noncompliance with any law, ordinance, rule or regulation concerning the construction, design or operation of the Restaurant (including the ADA and other laws regarding public accommodations for persons with disabilities), including those claims, obligations and damages alleged to be caused by an Indemnified Party's negligence or willful misconduct, except as specifically set forth below in this Section 17.D.

For purposes of this indemnification, "**claims**" include all losses, expenses, obligations, and damages (actual, consequential, punitive or otherwise) and costs that an Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration or alternative dispute resolution, regardless of whether litigation, arbitration or alternative dispute resolution is commenced. Each Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at Franchisee's expense, and Franchisee may not settle any claim or take any other remedial, corrective or similar actions relating to any claim without the consent of the Indemnified Party. The provisions of this Section 17.D will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. An Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Franchisee. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee.

Notwithstanding the foregoing, Franchisee has no obligation to indemnify under this Section 17.D if a court of competent jurisdiction makes a final decision not subject to further appeal that Franchisor, its affiliate, or any of their respective employees directly engaged in willful misconduct or intentionally caused the property damage or bodily injury that is the subject of the claim, so long as the claim is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment) or Franchisor's failure to compel Franchisee to comply with this Agreement, which are claims for which Franchisor is entitled to indemnification under this Section 17.D.

17.E. SOLELY AND EXCLUSIVELY FRANCHISEE'S EMPLOYEES

Franchisee hereby irrevocably affirm, attest and covenant its understanding that its employees are employed exclusively by Franchisee and in no fashion are any such employee employed, jointly employed or co-employed by Franchisor. Franchisee further affirms and attests that each of its employees are under the exclusive dominion and control of Franchisee and never under the direct or indirect control of Franchisor in any fashion whatsoever. Franchisee alone hires each of its employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). Franchisee alone has the ability to discipline or terminate its employees to the exclusion of Franchisor, which has no such authority or ability. Franchisee further attest and affirm that any minimum staffing requirements established by Franchisor are solely for the purpose of ensuring that the Franchised Business is at all times staffed at those levels necessary to operate the Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other Freshii brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. Franchisee affirms, warrants and understands that it may staff the Franchised Business with as many employees as it desires at any time so long as Franchisor's minimal staffing levels are achieved. Franchisee also affirms and attests that any recommendations it may receive from Franchisor regarding salaries, hourly

wages or other compensation for employees are recommendations only, designed to assist it to efficiently operate the Franchised Business, and that Franchisee is entirely free to disregard such recommendations regarding such employee compensation. Moreover, Franchisee affirms and attests that any training provided by Franchisor for Franchisee's employees is geared to impart to those employees, with its ultimate authority, the various procedures, protocols, systems and operations of a Freshii Restaurant and in no fashion reflects any employment relationship between the Franchisor and Franchisee's employees. Finally, should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, including (if necessary) appearing at any venue requested by Franchisor to testify on Franchisor's behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees). To the extent Franchisor is the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of Franchisee, should any such appearance by Franchisee be required or requested by Franchisor, Franchisor will recompense Franchisee the reasonable costs associated with its appearing at any such venue.

18. ENFORCEMENT

18.A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in Section 18.F or otherwise in this Agreement, each Section, Subsection, paragraph, term and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, arbitrator, agency or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, Franchisee and Franchisor agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of the termination of this Agreement or of Franchisor's refusal to enter into a successor franchise agreement, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.B. WAIVER OF OBLIGATIONS AND FORCE MAJEURE

Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. However, no interpretation, change, termination or waiver of any provision of this Agreement shall be binding upon Franchisor unless in writing and signed by one of its officers, and which is specifically identified as an amendment to this Agreement. No modification, waiver, termination, discharge or cancellation of this Agreement shall affect the right of any party hereto to enforce any claim or right hereunder, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, discharge or cancellation. Any waiver Franchisor grants

will be without prejudice to any other rights it has, will be subject to its continuing review, and may be revoked at any time and for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice.

Franchisor and Franchisee will not be deemed to waive or impair any right, power or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with the terms of this Agreement; Franchisor's or Franchisee's failure, refusal or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including Franchisee's compliance with any System Standard; Franchisor's waiver of or failure to exercise any right, power or option, whether of the same, similar or different nature, with other Freshii Restaurants; the existence of franchise agreements for other Freshii Restaurants which contain provisions different from those contained in this Agreement; or Franchisor's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, and it shall have no effect.

Neither Franchisor nor Franchisee will be liable for loss or damage or be in breach of this Agreement to the extent its failure to perform its obligations results from: (1) acts of God; (2) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (3) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not (i) excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Marketing Fund contributions and other amounts due afterward (including damages resulting from the termination of this Agreement), and (ii) give rise to a right of Franchisee to terminate this Agreement.

18.C. COSTS AND ATTORNEYS' FEES

In the event of Franchisee's breach (or reasonably alleged breach) of, or noncompliance (or reasonably alleged noncompliance) with, this Agreement, the System Standards, the Operations Manual, any other agreement with Franchisor, its affiliates, its associate or its agents, any law, ordinance, rule or regulation applicable to the Restaurant (collectively, the "**Regulating Documents**"), Franchisor may require Franchisee to reimburse Franchisor and/or its associates for the fees, costs and expenses (including, without limitation, legal fees and fees related to the time and efforts of the personnel of Franchisor, its affiliates, its associates and/or its agents) associated with Franchisor's, its affiliates', its associates' and/or its agents' (i) actions to remedy such breach, alleged breach, noncompliance or alleged noncompliance of or with the Regulating Documents, and/or (ii) enforcement of the Regulating Documents in any manner and to any extent Franchisor deems necessary. Franchisor may recover such fees, costs and expenses by any method Franchisor reasonably determines necessary, including, without limitation, by automatic debit as contemplated in Section 6.C of this Agreement. Franchisee acknowledges and agrees that (a) the fees, costs and expenses to be charged by Franchisor under this Agreement will be related to offsetting Franchisor's costs and expenses and not a penalty resulting from the particular default, breach or noncompliance, and (b) Franchisor will not be required to produce or present a bill, invoice or record in respect of the underlying fees, costs and expenses to be reimbursed in accordance with this Section 18.C.

If either Franchisor or Franchisee seeks to enforce this Agreement in an arbitration, judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses) incurred in connection with such arbitration, judicial or other proceeding.

18.D. FRANCHISEE MAY NOT WITHHOLD PAYMENTS

Franchisee agrees that Franchisee will not withhold payment of any amounts owed to Franchisor or its affiliates on the grounds of Franchisor's or their alleged nonperformance of any of its or their obligations under this Agreement or any other agreement.

18.E. RIGHTS OF PARTIES ARE CUMULATIVE

Franchisor's and Franchisee's rights under this Agreement are cumulative, and their exercise or enforcement of any right or remedy under this Agreement will not preclude their exercise or enforcement of any other right or remedy under this Agreement which they are entitled by law to enforce.

18.F. ARBITRATION

All controversies, disputes or claims between Franchisor (and its affiliates and their respective owners, officers, directors, agents and employees, as applicable) and Franchisee (and its affiliates and their respective owners, officers, and directors, as applicable) arising out of or related to:

- (1) this Agreement or any other agreement between Franchisee (or its Owners) and Franchisor (or its affiliates) or any provision of any of such agreements;
- (2) Franchisor's relationship with Franchisee;
- (3) the scope or validity of this Agreement or any other agreement between Franchisee (or its Owners) and Franchisor (or its affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration obligation under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or
- (4) any System Standard

will be submitted for arbitration to the American Arbitration Association. Except as otherwise provided in this Agreement, such arbitration proceedings shall be heard by one (1) arbitrator in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. Arbitration proceedings shall be held at a suitable location to be chosen by the arbitrator within ten (10) miles of Franchisor's then existing principal business address. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) will be governed by it and not by any state arbitration law.

The arbitrator shall have the right to award any relief which he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorneys' fees and costs in accordance with Section 18.C above, provided that: (a) the arbitrator shall not have authority to declare any Mark generic or otherwise invalid; and (b) subject to the exceptions in Section 18.I, Franchisor and Franchisee waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, and treble and other forms of multiple damages against the other. The award and decision of the arbitrator shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under this Agreement or applicable law, whichever expires first. Franchisor and Franchisee further agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates.

Any such claim which is not submitted or filed in such proceeding shall be barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisee or Franchisor.

Franchisor and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis, that only Franchisor (and its affiliates and their respective owners, officers, directors, agents and employees, as applicable) and Franchisee (and its affiliates and their respective owners, officers and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding shall be consolidated with any other arbitration proceeding involving Franchisor and/or any other person. Notwithstanding the foregoing or anything to the contrary in this Section or Section 18.A, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 18.F, then Franchisor and Franchisee agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding in accordance with this Section 18 (excluding this Section 18.F).

The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Notwithstanding anything to the contrary contained in this Section 18.F, Franchisor and Franchisee have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. In that case, Franchisor and Franchisee agrees to contemporaneously submit Franchisor's dispute for arbitration on the merits according to this Section 18.F. Furthermore, nothing in this Section 18.F shall limit Franchisor's right to deliver a notice of default under, and terminate, this Agreement in accordance with Section 15.

18.G. GOVERNING LAW

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, all controversies, disputes or claims arising from or relating to:

- (1) this Agreement or any other agreement between Franchisee (or its Owners) and Franchisor (or its affiliates);
- (2) Franchisor's relationship with Franchisee;
- (3) the validity of this Agreement or any other agreement between Franchisee (or its Owners) and Franchisor (or its affiliates); or
- (4) any System Standard

will be governed by the laws of Ontario, Canada, without regard to its conflict of laws rules, except that any law regulating the offer or sale of franchises, business opportunities or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.G.

18.H. CONSENT TO JURISDICTION

Subject to the arbitration obligations in Section 18.F, Franchisee and its Owners agree that all judicial actions brought by Franchisor against Franchisee or its Owners, or by Franchisee or its Owners

against Franchisor, its affiliates or their respective owners, officers, directors, agents, or employees, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor then maintains its principal business address. Franchisee and each of its Owners irrevocably submit to the jurisdiction of such courts and waive any objection that any of them may have to either jurisdiction or venue. Notwithstanding the foregoing, Franchisor may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which Franchisee resides or the Restaurant is located.

18.I. WAIVER OF PUNITIVE DAMAGES

EXCEPT FOR THE INDEMNIFICATION OBLIGATIONS UNDER SECTION 17.D AND CLAIMS BASED ON UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, AND TREBLE AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE (AND/OR ITS OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

18.J. WAIVER OF JURY TRIAL

FRANCHISOR AND FRANCHISEE (AND ITS OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

18.K. BINDING EFFECT

This Agreement is binding upon Franchisor and Franchisee and their respective executors, administrators, heirs, beneficiaries, permitted assigns and successors in interest. Subject to Franchisor's rights to modify the Operations Manual and the System Standards, this Agreement may not be modified except by a written agreement signed by both Franchisee and Franchisor.

18.L. LIMITATIONS OF CLAIMS

EXCEPT FOR CLAIMS ARISING FROM FRANCHISEE'S NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS THAT FRANCHISEE OWES FRANCHISOR, ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE WILL BE BARRED UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING IS COMMENCED IN THE APPROPRIATE FORUM WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

18.M. CONSTRUCTION

The preambles and exhibits are a part of this Agreement, which, together with any riders or addenda signed at the same time as this Agreement, constitutes Franchisor's and Franchisee's entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between Franchisor and Franchisee relating to the subject matter of this Agreement. There are no other oral or written representations, warranties, understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement

shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative. Any policies that Franchisor adopts and implements from time to time to guide it in its decision-making are subject to change, are not a part of this Agreement and are not binding on Franchisor. Except as provided in Sections 17.D and 18.F, nothing in this Agreement is intended nor deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

The headings of the sections and paragraphs are for convenience only and do not define, limit or construe the contents of these sections or paragraphs.

References in this Agreement to “**Franchisor**” with respect to all of its rights and all of Franchisee’s obligations to Franchisor under this Agreement include any of Franchisor’s affiliates with whom Franchisee deals in connection with the Restaurant. The term “**affiliate**” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling the party indicated. “**Control**” means the power to direct or cause the direction of management and policies.

The term “**person**” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The term “**Restaurant**” includes all of the assets of the Freshii Restaurant that Franchisee operates under this Agreement, including its revenue and income and the Lease. The words “**include**,” “**including**,” and words of similar import shall be interpreted to mean “including, but not limited to” and the terms following such words shall be interpreted as examples of, and not an exhaustive list of, the appropriate subject matter. This Agreement may be executed in multiple copies, each of which will be deemed an original.

18.N. THE EXERCISE OF FRANCHISOR’S JUDGMENT

Franchisor has the right to operate, develop and change the Franchise System in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, Franchisor may, except as otherwise specifically provided in this Agreement, make its decision or exercise its rights based on information readily available to Franchisor and its judgment of what is in the best interests of Franchisor, the Freshii Restaurant network generally, or the Franchise System at the time Franchisor’s decision is made, without regard to whether it could have made other reasonable or even arguably preferable alternative decisions or whether Franchisor’s decision promotes its or its affiliates’ financial or other individual interest. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Franchisee’s actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold Franchisor’s approval of any of Franchisee’s proposed, initiated or completed actions that require Franchisor’s approval.

19. NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

- (1) one (1) business day after transmission by telecopy, facsimile or other electronic system if the sender has confirmation of successful transmission;
- (2) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or

(3) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid;

and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which Franchisor does not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) business days before then) will be deemed delinquent.

20. ELECTRONIC MAIL

Franchisee acknowledges and agrees that exchanging information with Franchisor by e-mail is efficient and desirable for day-to-day communications and that Franchisor and Franchisee may utilize e-mail for such communications. Franchisee authorizes the transmission of e-mail by Franchisor and its employees, vendors, and affiliates (“**Official Senders**”) to Franchisee during the term of this Agreement.

Franchisee further agrees that: (a) Official Senders are authorized to send e-mails to the General Manager and those of Franchisee’s other employees as Franchisee may occasionally authorize for the purpose of communicating with Franchisor; (b) Franchisee will cause its officers, directors, managers and other employees to give their consent to Official Senders’ transmission of e-mails to them; (c) Franchisee will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is associated with Franchisee; and (d) Franchisee will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the term of this Agreement.

The consent given in this Section 20 shall not apply to the provision of notices by either party under this Agreement pursuant to Section 19 using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective on the date stated on the first page above.

SIGNATURES ON NEXT PAGE

FRESHII DEVELOPMENT, LLC

By: _____

Name: Peter Mammias

Title: Chief Executive Officer

FRANCHISEE:

By: _____

Name: _____

Title: _____

EXHIBIT A
to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT

BASIC TERMS

1. The Franchise Agreement is dated _____ between Franchisor and _____ (the “Franchisee”).
2. The Restaurant shall be located at the following address: _____ (“Accepted Location”).
3. The Territory is _____. If the Territory is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Agreement Date, notwithstanding any political reorganization or change to the boundaries. The Territory is depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.
4. The Restaurant’s initial General Manger is _____.
5. The amount of the Initial Franchise Fee due upon signing the Franchise Agreement is _____ Dollars (\$_____).
6. The Franchisee agrees to sign a Marketing Deposit Agreement (in the same form as attached to the above referenced Franchise Agreement as Exhibit F) and pay the Franchisor a marketing deposit in the amount of (\$10,000) when the lease for the Accepted Locations is signed.

FRESHII DEVELOPMENT, LLC,
Franchisor

By: _____
Name: Peter Mammas
Title: Chief Executive Officer

Franchisee

By: _____
Name: _____
Title: _____

MAP OF TERRITORY

EXHIBIT B
to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT

FRANCHISEE AND ITS OWNERS

**Effective Date: This Exhibit B is current and complete
as of _____**

1. Form of Franchisee.

(a) **Corporation, Limited Liability Company or Partnership.** Franchisee was incorporated or formed on _____, 20____, under the laws of the State of _____. The following is a list of Franchisee's directors or managers (if applicable) and officers as of the effective date shown above:

<u>Name</u>	<u>Position(s) Held</u>
_____	_____
_____	_____

2. Owners. The following list includes the full name of each person who is one of Franchisee's direct or indirect owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name</u>	<u>Description of Interest</u>
(a)	_____	_____
(b)	_____	_____

FRESHII DEVELOPMENT, LLC,
Franchisor

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

Franchisee

By: _____
Name: _____
Title: _____

EXHIBIT C
to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, _____ (“**Assignor**”) hereby assigns, transfers and sets over unto **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company (“**Assignee**”), all of Assignor’s right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the “**Lease**”), respecting premises commonly known as _____ (the “**Premises**”). This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless and until Assignee takes possession of the Premises and assumes certain obligations of Assignor under the Lease pursuant to the terms hereof.

Assignor represents and warrants to Assignee that Assignor (a) has full power and authority to so assign the Lease and its interest therein, and (b) has not previously assigned or transferred, and is not obligated to assign or transfer, any of its interest in the Lease or the Premises.

Upon the occurrence of any of the following:

(a) a default by Assignor under the Lease, the Freshii™ Restaurant franchise agreement between Assignee and Assignor (the “**Franchise Agreement**”), or any document or instrument securing or relating to the Franchise Agreement, or

(b) the expiration (without renewal), cancellation or termination of the Franchise Agreement for any reason,

Assignee shall have the right (but no obligation), exercisable upon delivery of written notice to Assignor, and is hereby empowered, to take possession of the Premises, expel Assignor from the Premises, and acquire all of Assignor’s right, title and interest as tenant in, to and under the Lease. In such event, Assignor shall have no further right, title or interest in the Lease or the Premises, but shall remain solely liable to the lessor under the Lease for all rents, charges and other obligations owed under the Lease prior to the date upon which Assignee assumes possession of the Premises.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement (and any extensions, amendments and renewals thereof), Assignor agrees that it shall exercise all rights and options to extend the term of or renew the Lease (each a “**Renewal Option**”) not less than thirty (30) days prior to the last day upon which such Renewal Option must be exercised, unless Assignee otherwise agrees in writing. Assignor shall send Assignee a copy of the notice of exercise concurrently with Assignor’s exercise of each Renewal Option. If Assignee does not otherwise agree in writing to Assignor’s refusal to exercise any Renewal Option, and if Assignor fails to exercise such Renewal Option, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such Renewal Option in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal, provided that Assignee shall have no obligation to exercise such Renewal Option.

This Assignment shall inure to the benefit of Assignee and its successors and assigns and shall be binding upon Assignor and its heirs, personal representatives, officers, partners, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth below.

Dated: _____

FRESHII DEVELOPMENT, LLC,
a Delaware limited liability company

a _____ limited liability company/corporation
Assignor

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the “**Lease**” attached as Exhibit A hereby:

1. agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
2. agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (1) above;
3. consents to the foregoing collateral assignment and agrees that if Assignee takes possession of the premises demised by the Lease pursuant to the Collateral Assignment, Lessor shall recognize Assignee as tenant under the Lease from and after the date upon which Assignee assumes possession and provides notice thereof to Lessor, but that Assignee shall not be liable for any past due rents or other liabilities or obligations of Assignor under or in connection with the Lease prior to such date; and
4. agrees that, provided there are then no existing defaults under the Lease, Assignee may further assign the Lease to any person or business entity who shall agree to assume the tenant’s obligations under the Lease and, upon such assignment, Assignee shall have no further liability or obligation under the Lease as assignee, tenant or otherwise.

DATED: _____

_____, Lessor

EXHIBIT A to the
Collateral Assignment of Lease
LEASE

See attached

EXHIBIT D
to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

WHEREAS, the undersigned (the “**Undersigned**”) is a current or prospective General Manager or other employee of one or more franchisees (each a “**Related Party**”) of _____, a _____ limited liability _____ (the “**Company**”);

WHEREAS, the Undersigned has been or may be given access to certain confidential and proprietary information of the Company and/or its Related Parties previously not available to the Undersigned;

WHEREAS, the Related Party signatory hereto is only willing to commence or continue its relationship with Undersigned in the event Undersigned enters into this Agreement; and

WHEREAS, the Related Party signatory hereto has entered into this Agreement with the Undersigned in order to ensure the confidentiality of Proprietary Information (defined below) in accordance with the terms of this Agreement, to ensure that the Undersigned does not utilize such information to compete with the Company or unfairly disadvantage the Company, and/or to protect the investment made by the Related Party signatory hereto in the training and instruction of its employees.

NOW, THEREFORE, the Undersigned hereby agrees as follows:

1. **Recitals.** The recitals set forth above are incorporated herein by this reference and shall be part of this Agreement.

2. **Proprietary Information.** As used in this Agreement, the term “**Proprietary Information**” shall mean the business concepts, information about types and suppliers of equipment, operating techniques, menu and ingredient information, marketing methods, financial information, demographic and trade area information, prospective site locations, market penetration techniques, plans, schedules, customer profiles, preferences, statistics, franchisee composition, territories, and development plans, and all related trade secrets or confidential or proprietary information treated as such by the Company and/or the Related Party signatory hereto, as the case may be, whether by course of conduct, by letter or report, by the inclusion of such information in the Company’s operations manuals or similar documents, or by the use of any appropriate proprietary stamp or legend designating such information or item to be confidential or proprietary, by any communication to such effect made prior to or at the time any such Proprietary Information is disclosed to the Undersigned, or otherwise.

3. **Use and Disclosure of Proprietary Information.** The Undersigned shall hold all Proprietary Information in strict confidence and shall use such Proprietary Information only for the benefit of the Company and/or the Related Party. The Undersigned shall not disclose Proprietary Information to any other person or entity. The obligations hereunder to maintain the confidentiality of Proprietary Information shall not expire. However, these obligations shall not apply to any Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, which (a) is disclosed in a printed publication available to the public, or is otherwise in the public domain through no act of the Undersigned or any other person or entity which has received such Proprietary Information from or through the Undersigned, (b) is approved for release by written authorization of an officer of the Company, or (c) is required to be disclosed by proper order of a court of applicable jurisdiction after adequate notice to the Company and/or the Related Party signatory hereto, as the case may be, sufficient to

permit them to seek a protective order therefor, the imposition of which protective order the Undersigned agrees to approve and support.

4. **Return of Documents.** The Undersigned shall, upon the request of the Company and/or the Related Party signatory hereto, as the case may be, return all documents and other tangible manifestations of Proprietary Information received from the Company and/or the Related Party signatory hereto, as the case may be, including all copies and reproductions thereof.

5. **Noncompete.** During the term of employment of the Undersigned (it being understood and acknowledged that the Undersigned is employed at will and may be terminated at any time by the Related Party signatory hereto) and for six (6) months thereafter, the Undersigned agrees (a) not to have any direct or indirect, controlling or non-controlling interest as an owner (whether of record, beneficial or otherwise) in, or perform services as a director, officer, manager, employee, consultant, representative or agent for, a Competitive Business (defined below) located or operating within any standard metropolitan statistical area or other trade area in which the Related Party signatory hereto is engaged, or has developed specific plans to engage, in business, and (b) agrees not to solicit employees from the Company or the Related Party signatory hereto. The term “**Competitive Business**” means any business that (i) offers fresh, made-to-order meals (including salads, soups, burritos, and/or rice bowls, but excluding sandwiches) in a format that allows the customer to choose among various ingredients to create individual meal options; (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice establishment; and/or (iii) grants franchises or licenses to, or enters into joint ventures with, others to operate a business described in subsection (i) or (ii). This Section 5 shall not prevent the Undersigned from investing so as to hold less than three percent (3%) of the outstanding shares of any company which is a “reporting company” under the Securities Exchange Act of 1934, as amended. It is the intention of the parties that this Section 5 be interpreted so as to be valid under applicable law and, if required for validity, any court or applicable tribunal may reduce or alter the geographic scope and duration of this Section 5, by substitution of words or otherwise, so as to create the broadest permissible protection to the Company and the Related Party signatory hereto.

6. **No Waiver.** No delays or omissions by the Company or the Related Party signatory hereto in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company and/or the Related Party signatory hereto, as the case may be, on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

7. **Equitable Relief.** The undersigned acknowledges that the Company and/or the Related Party signatory hereto, as the case may be, will be irreparably harmed by any breach hereof, that monetary damages would be inadequate and that the Company and/or the Related Party signatory hereto shall have the right to have an injunction or other equitable remedies imposed in relief of, or to prevent or restrain, such breach. The Undersigned agrees that the Company and/or the Related Party signatory hereto shall also be entitled to any and all other relief available under law or equity for such breach.

8. **Miscellaneous.**

a. This Agreement shall not be construed to grant to the Undersigned any patents, licenses, or similar rights to Proprietary Information disclosed to the Undersigned hereunder, all of which rights and interests shall be deemed to reside or be vested in the Company.

b. This Agreement does not supersede, but rather is in addition to and cumulative with, all prior agreements, written or oral, between the parties relating to the subject matter of this

Agreement. This Agreement may not be modified, changed or discharged, in whole or in part, except by an Agreement in writing signed by the parties.

c. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

e. This Agreement shall be construed and interpreted in accordance with the laws of Ontario, Canada, without regard to its conflicts of laws rules.

EXECUTED on this _____ day of _____, 20____.

FRESHII DEVELOPMENT, LLC

Franchisor

By: _____

Name: Peter Mammias

Title: Chief Executive Officer

Franchisee

By: _____

Name: _____

Title: _____

Or if individually

Name: _____

UNDERSIGNED:

Signature

Print Name

**EXHIBIT E to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____, by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “**Agreement**”) on this date by **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company (“**Franchisor**”), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that _____ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including, but not limited to, the arbitration, non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor’s pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any extensions of its term or the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including, without limitation, any extensions of its term), for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners, and for so long as Franchisor has any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any indebtedness by Franchisee to the undersigned, for whatever reason, whether currently existing or hereafter arising, shall at all times be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor or its affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations as to or relating to this Guaranty.

If Franchisor seeks to enforce this Guaranty in an arbitration, judicial or other proceeding, and prevails in such proceeding, Franchisor shall be entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, and expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses and travel and living expenses) incurred in connection with such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Subject to the arbitration obligations (as set forth in the Agreement) and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor then maintains its principal business address, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM.

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

GUARANTOR(S)

**PERCENTAGE OF OWNERSHIP
IN FRANCHISEE**

Name: _____

_____%

Name: _____

_____%

EXHIBIT F
FRESHII™ RESTAURANT FRANCHISE AGREEMENT

MARKETING DEPOSIT AGREEMENT

This Marketing Deposit Agreement (the “Agreement”) is made and entered into on [DATE] (the “Effective Date”) by and between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 and [FRANCHISEE] whose principal business address is [ADDRESS].

RECITALS

WHEREAS, we are in the business of developing and operating a system consisting of franchised and company-operated “Freshii Restaurants” units under our trademarks, service marks, and system (“Franchised Businesses”);

WHEREAS, you wish to apply to become a franchisee under our system pursuant to a franchise agreement, which, if entered into between you and us, would confer upon you the right and obligation to open a Franchised Business within an agreed-upon area;

WHEREAS, we must expend considerable time, effort, and cost during the period (the “Evaluation Period”) needed to evaluate your qualifications and suitability to become a franchisee;

WHEREAS, you wish to place a deposit with us as evidence of your good faith during the Evaluation Period.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. **The Deposit.** Upon execution of this Agreement, you shall pay us the sum of Ten Thousand U.S. Dollars (\$10,000 USD) as a non-interest bearing marketing deposit (the “Deposit”).
2. **Non-Refundability.** The Deposit shall not be refundable under any circumstances.
3. **Credit.** The full amount of the Deposit shall be credited by us toward payment of the marketing budget due under the franchise agreement entered into by the parties unless you do not meet our qualifications to purchase a franchise or your fail to meet the obligations and conditions set out in such franchise agreement to receive such credit.
4. **Application.** You agree to make all applications and provide all information reasonably requested by us to evaluate your qualifications and suitability to enter into a franchise agreement with us. We shall assess your qualifications during the Evaluation Period.
5. **Confidentiality.** During the Evaluation Period, certain confidential information about us and our system may be disclosed or otherwise made known to you (“Confidential Information”). You agree to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any

way use the Confidential Information in the operation of any business (excluding a Franchised Business operated pursuant to a franchise agreement). It is agreed that your obligations under this Section 5 shall not expire upon termination of this Agreement.

6. Evaluation Period. The parties agree that the Evaluation Period shall last until (a) we determine that you do not meet our qualifications to purchase a franchise and we so notify you in writing, or (b) you and we sign a Franchise Agreement for a Franchised Business, whichever occurs first.

7. Termination. This Agreement shall be terminated only as provided in Section 6 above.

8. No Franchise Rights. This Agreement is not a franchise and does not grant you any right whatsoever to use the “Freshii” marks and/or system, which rights can only be granted under a franchise agreement entered into by you and us. You shall not use the “Freshii” marks or system, nor shall you make any representation or commitment on our behalf.

9. Acknowledgment. You acknowledge receipt of our Disclosure Document at least fourteen (14) calendar days before the Effective Date.

10. Full Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. This Agreement shall be interpreted under the laws of the State of Delaware without regard to its conflict of laws principles.

FRESHII DEVELOPMENT, LLC

FRANCHISEE

By: _____

By: _____

Name: Peter Mammas

Name: _____

Title: Chief Executive Officer

Title: _____

EXHIBIT G to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDUM

**EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF CALIFORNIA**

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

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

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

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

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Area Development Agreement and Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The Area Development Agreement and Franchise Agreement require application of the laws of Ontario, Canada with certain exceptions. These provisions might not be enforceable under California law.

Arbitration. The Area Development Agreement and Franchise Agreement require binding arbitration. The arbitration will occur at a suitable site that the arbitrator chooses in Ontario, Canada, with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to

any provision of the Area Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT

**ADDENDUM TO THE FRESHII DEVELOPMENT, LLC DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammas
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT

**STATE ADDENDUM TO THE FRESHII DEVELOPMENT, LLC
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.
2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 18 of the Franchise Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF MARYLAND

This Rider (the “**Rider**”) is made and entered into on _____ (the “**Agreement Date**”), between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland, and/or (b) Franchisee’s Freshii Restaurant will be located or operated in Maryland.

2. **Releases.** The following language is added to the end of Sections 13.D.(8), 14(iii), and the last paragraph of Section 16.E.(3) of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Insolvency.** The following language is added to the end of Section 15.B.(18) of the Franchise Agreement:

; termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but Franchisor and Franchisee agree to enforce this provision to the maximum extent the law allows.

4. **Governing Law.** The following language is added to the end of Section 18.G of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Consent to Jurisdiction.** The following language is added to the end of Section 18.H of the Franchise Agreement:

However, subject to the parties’ arbitration obligations, Franchisee may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Limitation of Claims.** The following language is added to the end of Section 18.L of the Franchise Agreement:

However, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded Franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammas
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY 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 franchises.
- (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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated on _____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

Witness

FRANCHISEE:

By: _____
Name: _____
Title: _____

Witness

Or if individually

Name: _____

**EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF MINNESOTA**

This Rider (the “**Rider**”) is made and entered into on _____ (the “**Agreement Date**”), between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Freshii Restaurant that Franchisee will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Franchise Agreement occurred in Minnesota.

2. **Trademark Indemnity.** The following language is added to the end of Section 10.C of the Franchise Agreement.

If Franchisee has complied with all of Franchisor’s requirements that apply to the Marks, Franchisor will protect Franchisee’s right to use the principal Mark and indemnify Franchisee from any loss, costs, or expenses arising out of any claims, suits, or demands regarding Franchisee’s use of the principal Mark, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12. Subd. 1(g).

3. **Releases.** The following language is added to the end of Sections 13.D.(8), 14(iii), and the last paragraph of Section 16.E.(3) of the Franchise Agreement:

; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **Termination by Franchisor.** The following language is added to the end of Section 15.B of the Franchise Agreement:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure) and one hundred eighty (180) days’ notice of non-renewal of the Franchise Agreement.

5. **Governing Law/Consent to Jurisdiction.** The following language is added to the end of Sections 18.G and 18.H of the Franchise Agreement:

Pursuant to Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J, this Section shall not in any way abrogate or reduce Franchisee’s right as provided in Minnesota Statutes 1984, Chapter 80C, including (if applicable, and subject to the parties’ arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota.

6. Waiver of Punitive Damages. The following language is added to the beginning of Section 18.I of the Franchise Agreement:

EXCEPT AS OTHERWISE REQUIRED BY THE
MINNESOTA FRANCHISES LAW, AND

7. Waiver of Jury Trial. The following language is added to the beginning of Section 18.J of the Franchise Agreement:

EXCEPT AS OTHERWISE REQUIRED BY THE
MINNESOTA FRANCHISES LAW,

8. Limitation of Claims. The following language is added to the end of Section 18.L of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT
ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought

by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Sections 13.D.(8), 14(iii) and 16.E.(3) of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, 16.D of the Franchise Agreement and Article 13.D of the Area Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Section 16.A of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 18 of the Franchise Agreement and Article 15 of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 18.G of the Franchise Agreement and Article 15.G of the Area Development Agreement which require jurisdiction of courts in the Ontario, Canada are deleted.

6. Item 17(w) of the Disclosure Document, Article 18.H of the Franchise Agreement and Article 15.H of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 18.I of the Franchise Agreement and Article 15.I of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 18.L of the Franchise Agreement and Article 15.L of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Or if individually

Witness

Name: _____

**EXHIBIT G TO THE FRANCHISE AGREEMENT
DISCLOSURE REQUIRED BY THE STATE OF WASHINGTON**

This Rider (the “**Rider**”) is made and entered into on _____ (the “**Agreement Date**”), between **FRESHII DEVELOPMENT, LLC**, a Delaware limited liability company, with its principal business address at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 (“**Franchisor**”), and _____, whose principal business address is _____ (“**Franchisee**”).

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor’s reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

ATTEST
FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

Witness

Or if individually

Name: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE COMMONWEALTH OF VIRGINIA

1. The following is added to the State Cover Page of the Franchise Disclosure Document:

THE FRANCHISOR HAS BEEN INEXISTENCE FOR A SHORT PERIOD OF TIME SINCE FEBRUARY 2008. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

2. The "Summary" section of Item 17(h) of Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

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 or area development 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 given right to him under the franchise. If any provision of the franchise agreement or area development 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum on _____.

FRESHII DEVELOPMENT, LLC

By: _____
Name: Peter Mammias
Title: Chief Executive Officer

FRANCHISEE:

By: _____
Name: _____
Title: _____

**EXHIBIT H to the
FRESHII™ RESTAURANT FRANCHISE AGREEMENT**

FRANCHISEE COMPLIANCE CERTIFICATION

As you know, Freshii Development, LLC (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a Freshii Restaurant. The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Freshii Restaurant from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Freshii Restaurant from an existing Franchisee?

Yes/No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____.

3. Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it?

Yes/No _____

4. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes/No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor’s Disclosure Document that was provided to you?

Yes/No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes/No _____
7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?
- Yes/No _____
- If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)
- _____
- _____
8. Have you discussed the benefits and risks of establishing and operating a Freshii Restaurant with an attorney, accountant, or other professional advisor?
- Yes/No _____
- If No, do you wish to have more time to do so?
- Yes/No _____
9. Do you understand that the success or failure of your Freshii Restaurant will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?
- Yes/No _____
10. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement or promise concerning the revenues, project cost, (project cost), profits or operating costs of a Freshii Restaurant operated by the Franchisor or its Franchisees, that is contrary to the information contained in the Disclosure Document?
- Yes/No _____
11. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement or promise regarding the amount of money you may earn in operating the Franchised Business that is contrary to the information contained in the Disclosure Document?
- Yes/No _____
12. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement or promise concerning the total amount of revenue the Freshii Restaurant will generate, that is contrary to the information contained in the Disclosure Document?
- Yes/No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement or promise regarding the costs you may incur in operating the Freshii Restaurant that is contrary to or different from, the information contained in the Disclosure Document?

Yes/No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Freshii Restaurant?

Yes/No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor, including Franchisor's employees, made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes/No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes/No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes/No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this Franchise? If so, who? _____

If you have answered "Yes" to any one of questions 10-17, please provide a full explanation of each Yes answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

Acknowledged this _____ day of _____, 20____.

FRANCHISEE APPLICANT

Witness

By:_____
Name:_____
Title:_____

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS



FRESHII DEVELOPMENT, LLC CONFIDENTIAL OPERATIONS MANUAL CONTENTS

1. General Information	5 Pages
a. Communitii	
b. Partner Communication	
c. Partner Support	
2. Operations	279 Pages
a. Daily Checklists	
b. Line Set Up	
c. Cogs & Inventory	
d. Menu Execution	
e. Catering	
f. Brand Standards	
g. Labour	
h. School Lunch Program	
i. Guest Experience	
j. Tools & Equipment	
k. Hours Signage	
3. Technology	147 Pages
a. Technical Support	
b. POS Guides	
c. APP Guides	
d. Gift Card Guides	
e. Freshii Delivery	
f. Stingray	
g. Menu Boards	

h. Pinnacle	
i. Email	
4. Marketing	171 Pages
a. Brand Guidelines	
b. Creative Library	
c. Social Media	
d. Third Party Vendors	
e. Print Company	
f. Partnerships	
5. People & Training	207 Pages
a. Recruiting	
b. Interviewing	
c. Role Descriptions	
d. Growth & Development	
e. Reward & Recognition	
f. Counseling & Termination	
6. Supply Chain	21 Pages
a. Deliveries & Receiving	
b. Credit Request & Quality Issue Reporting	
c. Product Recall	
d. Depot Groups	
7. Menu	147 Pages
a. Standard Menu, Limited Menu, Freshii Favourites Menu	
b. Cheat Sheets	
c. Recipe Guides	
d. SLP Recipe Guides	
e. Nutrition & Allergen Guides	
f. LTO Materials	
8. Health & Safety	
a. Ecosure	
b. Incident Reports	

- c. Food Safety
- d. Pest Control
- e. Temperature Logs
- f. Safety Data Sheets
- g. Safety Procedures

Total pages in the Manual if printed: 977 pages

EXHIBIT F
FINANCIAL STATEMENTS

Freshii Development, LLC

Financial Statements

**For the 52 weeks ended December 25, 2022
and December 26, 2021**

(Expressed in thousands of United States Dollars)



KPMG LLP
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Tel 905-265 5900
Fax 905-265 6390
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of Freshii Development, LLC

Opinion

We have audited the financial statements of Freshii Development, LLC (the Entity), which comprise:

- the balance sheet as at December 25, 2022
- the statement of income and comprehensive income for the 52 weeks ended December 25, 2022
- the statement of changes in member's equity for the 52 weeks ended December 25, 2022
- the statement of cash flows for the 52 weeks ended December 25, 2022
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 25, 2022, and its financial performance and its cash flows for the 52 weeks then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restatement of Financial Statements

The financial statements for the 52 weeks ended December 26, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 27, 2022. We draw your attention to Note 7 to the financial statements which describes i) that the financial statements originally reported on April 27, 2022 by another auditor have been amended, and ii) the matter that gives rise to the amendment of the financial statements.

Our opinion is not modified in respect of this matter.

Other matter – Comparative Information

As part of our audit of the 2022 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2021 financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted



in the United States of America (US GAAS) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with auditing standards generally accepted in the United States of America (US GAAS), we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Vaughan, Canada

May 11, 2023

Freshii Development, LLC**Balance Sheets**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 25, 2022 and December 26, 2021

	Note	As at December 25, 2022	As at December 26, 2021 As Restated (note 7)
Assets			
Current			
Cash		\$ 84	\$ 155
Amounts receivable	3	46	66
Prepaid expenses and other assets		11	3
Loans receivable	4	-	32
		141	256
Non-current			
Other assets		575	696
Due from affiliated entities	5	7,686	7,651
Total assets		\$ 8,402	\$ 8,603
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 98	\$ 158
Current portion of deferred revenue		281	316
Due to affiliated entities	5	716	577
		1,095	1,051
Non-current			
Deferred revenue	2	571	868
Total liabilities		1,666	1,919
Member's Equity			
Member's capital		1	1
Retained earnings		6,735	6,683
		6,736	6,684
		\$ 8,402	\$ 8,603

Commitments, contingencies & litigation – Note 6

Freshii Development, LLC**Statements of Income and Comprehensive Income**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 25, 2022 and December 26, 2021

		For the 52 weeks ended	
		As at	As at
	Note	December	December
		25, 2022	26, 2021
Revenue			
Royalty revenue		\$ 1,259	\$ 1,334
Franchise fees	2	387	958
Total revenue		1,646	2,292
Costs and expenses			
Management fees	5	1,372	1,566
Office and general		223	48
Interest income	4	(1)	(1)
Travel		-	59
Total costs and expenses		1,594	1,672
Net income and comprehensive income		\$ 52	\$ 620

The accompanying notes form an integral part of these financial statements

Freshii Development, LLC
Statements of Changes in Member's Equity
(Expressed in thousands of United States Dollars)
For the 52 weeks ended December 25, 2022 and December 26, 2021

	Member's capital	Retained earnings	Total
As at December 27, 2021	\$ 1	\$ 6,683	\$ 6,684
Net income for the year	-	52	52
As at December 25, 2022	\$ 1	\$ 6,735	\$ 6,736

	Member's capital	Retained earnings	Total
As at December 27, 2020	\$ 1	\$ 6,063	\$ 6,064
Net income for the year	-	620	620
As at December 26, 2021	\$ 1	\$ 6,683	\$ 6,684

The accompanying notes form an integral part of these financial statements

Freshii Development, LLC**Statements of Cash Flows**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 25, 2022 and December 26, 2021

	As at December 25, 2022	As at December 26, 2021
Cash provided by (used in)		
Operations		
Net income	\$ 52	\$ 620
Items not affecting cash		
Amortization	125	125
Bad debt expense (recovery)	5	(110)
Net changes in non-cash working capital		
Amounts receivable	23	(13)
Prepaid expenses and other assets	(13)	60
Accounts payable and accrued liabilities	(60)	(64)
Deferred revenue	(332)	(937)
Advances to/from affiliated entities	104	(103)
	(96)	(422)
Investing		
Repayment of loans receivable	25	123
	25	123
Net change in cash	(71)	(299)
Cash, beginning of period	155	454
Cash, end of period	\$ 84	\$ 155

1. NATURE OF OPERATIONS

Freshii Development, LLC (the "Company") was organized under the laws of the state of Delaware on February 26, 2008 and was established to franchise "Freshii" fast casual food retail stores in metropolitan areas throughout the United States of America. As of December 25, 2022, the Company is the franchisor of restaurants located in the states of Arizona, California, Florida, Georgia, Illinois, Kentucky, Maryland, Michigan, Minnesota, Mississippi, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Washington, and Wisconsin.

Impact Of COVID-19

The COVID-19 pandemic and the reactions to it, including government restrictions that were imposed and/or reimposed in a variety of the jurisdictions in which Freshii and its franchise partners operate, continued to affect Freshii's business and operations in the 52 weeks ended December 25, 2022. While government restrictions have largely been lifted, the pandemic's resulting impacts on customer purchasing behaviour, the slower anticipated 'return to office' and the resulting office traffic recovery, supply chain difficulties, and labour shortages have continued to impact Freshii.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a limited liability company, each member's liability is limited to the capital invested. The Company's sole member is Freshii USA, Inc.

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, by the Company. All Company earnings flow through to its sole member. Accordingly, the financial statements do not reflect a provision for income taxes.

The Company's application of accounting principles generally accepted in the United States of America ("US GAAP") regarding uncertain tax positions had no effect on its financial position as management believes the Company has no material unrecognized income tax benefits. The Company would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as another expense.

Fiscal year

The fiscal year of the Company ends on the Sunday immediately preceding December 31st. As a result, the Company's fiscal year is usually 52 weeks in duration but includes a 53rd week every five to six years. The years ended December 25, 2022 and December 26, 2021 both contained 52 weeks.

Basis of Presentation

These financial statements have been prepared in accordance with US GAAP, on a basis consistent for all periods presented. The significant accounting policies used in these US GAAP financial statements are as follows:

Functional and Presentation Currency

The Company's functional currency is United States dollar ("USD"), as this is the principal currency of the economic environment in which the entity operates. These financial statements are presented in thousands of USD, unless otherwise noted.

Financial instruments

All financial instruments are included on the Company's balance sheet and are measured at amortized cost using the effective interest method. The Company's financial instruments include cash, amounts receivable, amounts due from affiliated entities, loans receivable, and accounts payable and accrued liabilities. The Company does not engage in trading or purchasing derivative instruments as defined by Accounting Standards Codification (ASC) 825.

Allowances for doubtful accounts are established based on estimates of losses related to trade amounts receivable and loans receivable. In establishing the appropriate provision for amounts receivable, the Company makes assumptions with respect to their future collectability based on trends and aging of receivable balances.

Fair value measurements

ASC 820 defines fair value, establishes a framework for measuring fair value under US GAAP, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs. The first two levels are considered observable and the last unobservable. These levels are used to measure fair value as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs, other than Level 1 inputs that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs include: quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company does not measure any financial instruments at fair value.

Franchise Revenue

Revenue relates to:

- 1) franchise fees which consist of (i) the initial franchise fee received for pre-opening support services, and (ii) the Company's licensing of its franchise rights over the term of the respective franchise agreement; and
- 2) royalty fees based on a percentage of franchisee sales.

Pre-opening support services include selecting a location, assistance with leasing space, and providing design and build out support. The performance obligation is satisfied over time leading up to when the store is ready to open for operations.

Licensing of franchise rights related to the access to the Freshii brand is recognized over time. This revenue is deferred and recognized over the franchise agreement term which is generally 10 years, beginning when the store is ready to open for operations. This revenue is recognized over time, as this benefit is expected to be transferred to the customer evenly over the term of the franchise agreement.

Initial fees are allocated to the respective performance obligations based on the estimated relative stand-alone selling price of the respective service.

Royalty revenue is earned weekly based on a percentage of franchisees' sales over the term of the franchise agreement. Royalties are based on a percentage of monthly sales of each store and are recognized as income in the month earned, on an accrual basis.

During the 52 weeks ended December 25, 2022, \$379 of revenue was recognized in relation to carried-forward contract liabilities where performance obligations were satisfied in the current period (52 weeks ended December 26, 2021 – \$957). The Company recognizes revenue for unexercised rights when the likelihood of the exercise becomes remote and it is highly probable that a significant reversal of the amount recognized will not occur. In the 52 weeks ended December 26, 2021, the statement of income and comprehensive income includes \$447 of franchise fee revenue with respect to a one-time change in the Company's estimated future performance obligations.

The following table shows unsatisfied performance obligations from pre-opening support services and access to intellectual property (IP):

	As at December 25, 2022	As at December 26, 2021
Aggregate transaction price allocated to:		
Pre-opening support services	\$ 182	\$ 500
Access to IP	\$ 670	\$ 684
	\$ 852	\$ 1,184

Management expects approximately 40% of the transaction price allocated to pre-opening support services will be recognized as revenue over the next 52 weeks. Management expects the transaction price allocated to the access to IP to be recognized as revenue over the remaining terms of each related franchise agreement. The average remaining term is 4.6 years.

Amounts Receivable

Receivables are primarily comprised of amounts due from franchisees. The Company reports amounts receivable at net realizable value. The Company recognizes an allowance for doubtful accounts in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, the creditworthiness of its franchisees and economic conditions.

Other Assets

Other assets consists of contract inducements entered into in the 53 weeks ended December 31, 2017 which is amortized over 10 years.

Loans Receivable

Management reviews loans receivable at each balance sheet date to determine whether the amounts due to the Company are recoverable. Recoverability is determined by reviewing the payment history and the creditworthiness of loan counterparties. In determining recoverability, management makes estimates regarding timing and value of expected future cash balances based on these inputs.

Gift cards and mobile application program

The gift card and mobile application program allows customers to prepay for future purchases by loading a dollar value onto their gift cards or mobile application through cash or credit/debit cards in our restaurants or online with a credit card, when and as needed. The gift card and mobile application purchases are nonrefundable and not redeemable for cash. Deferred gift card and mobile application balances are included in accrued liabilities in the balance sheets.

Our gift cards do not have an expiration date and we do not deduct non-usage fees from outstanding gift card balances. We recognize gift card breakage revenue by applying our estimate of the rate of gift card breakage over the estimated period of redemption. These estimates are based on our historical redemptions. During the 52 weeks ended December 25, 2022, the Company recognized gift card breakage of \$20 in franchise revenue (52 weeks ended December 26, 2021 – \$21) based on the value of gift cards expected to not be redeemed.

Management Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The revenue recognition policies selected require the use of estimates and assumptions that may affect the reported amounts of the recognized and deferred revenues, and collectability of amounts receivable.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Freshii brand within a defined geographical area. The Company believes that franchising is an effective and efficient means to expand the Freshii brand. The franchisee is required to operate its restaurants in compliance with its franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company has financial exposure for the collection of the royalty payments. Franchisees generally remit royalty payments weekly for the prior week's sales, which substantially minimizes the financial exposure. Franchise and area development fees are paid upon the signing of the related agreements.

3. FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet include accounts payable, accrued liabilities, and due to affiliated entities. The Company manages liquidity risk by closely monitoring cash flow requirements and future cash flow forecasts to ensure it has access to funds through its existing cash and from operations to meet operational and financial obligations. The Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

Credit risk

The Company's credit risk is primarily attributable to its trade and loan receivables. Trade and other receivables and loans receivable primarily comprise amounts due from franchisees. Credit risk associated with these receivables is mitigated for a number of reasons including the following:

- The Company's broad franchise base is spread across the USA, which limits the concentration of credit risk.
- Prior to accepting a franchisee, the Company undertakes a detailed screening process which includes the requirement that a franchisee has sufficient financing.
- Franchisee balances beyond a particular age are reviewed and evaluated and in cases where management considers that the expected recovery is less than the actual account receivable, the Company accounts for this with a specific bad debt provision.
- The Company regularly monitors collection performance and pledge security for its loans receivables to ensure adequate payments are being received and adequate security is available. Pledged security can vary by agreement, but generally includes inventory, equipment, securities, and personal guarantees.

The amounts disclosed in the balance sheet are net of allowances for doubtful accounts, estimated by the Company's management based on past experience and specific circumstances of the counterparty. As at December 25, 2022, amounts receivables has been recorded net of allowance for doubtful accounts of \$2 (December 26, 2021 - \$25).

Other financial instruments that potentially subject the Company to credit risk consist principally of cash. The Company maintains its cash in a bank deposit account, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk with respect to its cash.

Freshii Development, LLC
Notes to Financial Statements

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 25, 2022 and December 26, 2021

4. LOANS RECEIVABLE

The loans receivable represent long-term financing to existing franchise partners who qualified for a capital loan program to continue growing the Freshii brand. These loans are primarily secured by inventory, equipment, securities and personal guarantees. They bear interest at a rate of 10.00%. Total interest income on loans receivable for the 52 weeks ended December 25, 2022 was \$1 (52 weeks ended December 26, 2021 – \$1). As at December 25, 2022, loans receivable are recorded net of a loss allowance of \$43 (December 26, 2021 – \$44).

5. RELATED PARTY TRANSACTIONS

At December 25, 2022, the Company had advanced a total of \$7,686 (December 26, 2021 – \$7,651) to and received advances of \$716 (December 26, 2021 – \$577) from entities affiliated with the Company through common ownership. Such advances are due on demand and are non-interest-bearing.

The Company was also charged for the use of management services, personnel, facilities, equipment and other items in the Company's operation from affiliated entities for the 52 weeks ended December 25, 2022 in the amount of \$1,372 (52 weeks ended December 26, 2021 – \$1,566).

6. COMMITMENTS, CONTINGENCIES AND LITIGATION

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, regulatory, franchisee related and environmental claims. In addition, the Company is potentially subject to regular audits from federal and state tax authorities relating to income, commodity and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these financial statements.

7. RESTATEMENT

The Company reclassified the \$577 due to affiliated entities recorded on the balance sheet as at December 26, 2021 from non-current liabilities to current liabilities due to the nature of the repayment terms, which is due on demand. This reclassification had no effect on the previously reported statements of income and comprehensive income or cash flows.

Freshii Development, LLC

Financial Statements

**For the 52 weeks ended December 26, 2021
and December 27, 2020**

(Expressed in thousands of United States Dollars)



Report of Independent Auditors

To the Members of Freshii Development, LLC

Opinion

We have audited the accompanying financial statements of Freshii Development, LLC (the Company), which comprise the balance sheets as of December 26, 2021 and December 27, 2020, and the related statements of income and comprehensive income, statements of changes in member's equity, and statements of cash flows for the 52 weeks ended December 26, 2021 and December 27, 2020, including the related notes (collectively referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 26, 2021 and December 27, 2020, and the results of its operations and its cash flows for the 52 weeks ended December 26, 2021 and December 27, 2020 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

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

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

PricewaterhouseCoopers LLP

Toronto, Ontario
April 27, 2022

Freshii Development, LLC**Balance Sheets**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 26, 2021 and December 27, 2020

	Note	As at December 26, 2021	As at December 27, 2020
Assets			
Current			
Cash		\$ 155	\$ 454
Amounts receivable	3	66	68
Prepaid expenses and other assets		3	62
Current portion of loans receivable	4	32	17
		256	601
Non-current			
Other assets	2	696	821
Loans receivable	4	-	14
Due from affiliated entities	5	7,651	7,702
Total assets		\$ 8,603	\$ 9,138
Liabilities			
Current			
Accounts payable and accrued liabilities		\$ 158	\$ 222
Current portion of deferred revenue		316	346
		474	568
Non-current			
Due to affiliated entities	5	577	731
Deferred revenue	2	868	1,775
Total liabilities		1,919	3,074
Member's Equity			
Member's capital		1	1
Retained earnings		6,683	6,063
		6,684	6,064
		\$ 8,603	\$ 9,138

Commitments, contingencies & litigation – Note 7

Freshii Development, LLC**Statements of Income and Comprehensive Income**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 26, 2021 and December 27, 2020

		For the 52 weeks ended	
		As at	As at
	Note	December	December
		26, 2021	27, 2020
Revenue			
Royalty revenue		\$ 1,334	\$ 1,436
Franchise fees	2	958	747
Total revenue		2,292	2,183
Costs and expenses			
Management fees	5	1,566	1,655
Office and general		48	412
Interest income	4	(1)	(9)
Professional fees		—	37
Travel		59	24
Total costs and expenses		1,672	2,119
Net income (loss) and comprehensive income (loss)		\$ 620	\$ 64

The accompanying notes form an integral part of these financial statements

Freshii Development, LLC
Statements of Changes in Member's Equity
(Expressed in thousands of United States Dollars)
For the 52 weeks ended December 26, 2021 and December 27, 2020

	Member's capital	Retained earnings	Total
As at December 27, 2020	\$ 1	\$ 6,063	\$ 6,064
Net income for the year	-	620	620
As at December 26, 2021	\$ 1	\$ 6,683	\$ 6,684

	Member's capital	Retained earnings	Total
Balance as at December 29, 2019	\$ 1	\$ 5,999	\$ 6,000
Net income for the year	-	64	64
As at December 27, 2020	\$ 1	\$ 6,063	\$ 6,064

The accompanying notes form an integral part of these financial statements

Freshii Development, LLC**Statements of Cash Flows**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 26, 2021 and December 27, 2020

	As at December 26, 2021	As at December 27, 2020
Cash provided by (used in)		
Operations		
Net income	\$ 620	\$ 64
Items not affecting cash		
Amortization	125	125
Bad debt expense	(110)	186
Net changes in non-cash working capital		
Amounts receivable	(13)	133
Prepaid expenses and other assets	60	21
Accounts payable and accrued liabilities	(64)	1
Deferred revenue	(937)	(730)
Advances to affiliated entities	(103)	(447)
	(422)	(647)
Investing		
Repayment of loans receivable	123	51
	123	51
Net change in cash	(299)	(596)
Cash, beginning of period	454	1,050
Cash, end of period	\$ 155	\$ 454

1. NATURE OF OPERATIONS

Freshii Development, LLC (the "Company") was organized under the laws of the state of Delaware on February 26, 2008 and was established to franchise "Freshii" fast casual food retail stores in metropolitan areas throughout the United States of America. As of December 26, 2021, the Company is the franchisor of restaurants located in the states of Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Texas, Virginia, Washington, and Wisconsin.

Impact Of COVID-19

Beginning in mid-March 2020, and continuing through the 52 weeks ended December 26, 2021, the COVID-19 pandemic and the reactions to it, including government restrictions that have been imposed and/or reimposed in a variety of the jurisdictions in which Freshii and its franchise partners operate, have affected Freshii's business and operations. In common with other restaurant, hospitality and entertainment-related businesses, these reactions and restrictions have resulted in many Freshii locations having had to temporarily pause their service to dine-in guests, revise their operating hours or pause operations altogether at different times during the ongoing and evolving pandemic. These reactions and the imposition and relaxation of restrictions continue to vary significantly by jurisdiction based on developments associated with the pandemic in those jurisdictions. These actions have resulted in a continued overall decrease to customer traffic and revenues at the affected locations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a limited liability company, each member's liability is limited to the capital invested. The Company's sole member is Freshii USA, Inc.

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for, by the Company. All Company earnings flow through to its sole member. Accordingly, the financial statements do not reflect a provision for income taxes.

The Company's application of accounting principles generally accepted in the United States of America ("US GAAP") regarding uncertain tax positions had no effect on its financial position as management believes the Company has no material unrecognized income tax benefits. The Company would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as an other expense.

Fiscal year

The fiscal year of the Company ends on the Sunday immediately preceding December 31st. As a result, the Company's fiscal year is usually 52 weeks in duration but includes a 53rd week every five to six years. The years ended December 26, 2021 and December 27, 2020 both contained 52 weeks.

Basis of Presentation

These financial statements have been prepared in accordance with US GAAP, on a basis consistent for all periods presented. The significant accounting policies used in these US GAAP financial statements are as follows:

Functional and Presentation Currency

The Company's functional currency is United States dollar ("USD"), as this is the principal currency of the economic environment in which the entity operates. These financial statements are presented in thousands of USD, unless otherwise noted.

Financial instruments

All financial instruments are included on the Company's balance sheet and are measured at amortized cost using the effective interest method. The Company's financial instruments include cash, amounts receivable, amounts due from affiliated entities, loans receivable, and accounts payable and accrued liabilities. The Company does not engage in trading or purchasing derivative instruments as defined by Accounting Standards Codification (ASC) 825.

Allowances for doubtful accounts are established based on estimates of losses related to trade amounts receivable and loans receivable. In establishing the appropriate provision for amounts receivable, the Company makes assumptions with respect to their future collectability based on trends and aging of receivable balances.

Fair value measurements

ASC 820 defines fair value, establishes a framework for measuring fair value under US GAAP, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs. The first two levels are considered observable and the last unobservable. These levels are used to measure fair value as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs, other than Level 1 inputs that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs include: quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company does not measure any financial instruments at fair value.

Franchise Revenue

Revenue relates to:

- 1) franchise fees which consist of (i) the initial franchise fee received for pre-opening support services, and (ii) the Company's licensing of its franchise rights over the term of the respective franchise agreement; and
- 2) royalty fees based on a percentage of franchisee sales.

Pre-opening support services include selecting a location, assistance with leasing space, and providing design and build out support. The performance obligation is satisfied over time leading up

Freshii Development, LLC**Notes to Financial Statements**

(Expressed in thousands of United States Dollars)

For the 52 weeks ended December 26, 2021 and December 27, 2020

to when the store is ready to open for operations.

Licensing of franchise rights related to the access to the Freshii brand is recognized over time. This revenue is deferred and recognized over the franchise agreement term which is generally 10 years, beginning when the store is ready to open for operations. This revenue is recognized over time, as this benefit is expected to be transferred to the customer evenly over the term of the franchise agreement.

Initial fees are allocated to the respective performance obligations based on the estimated relative stand-alone selling price of the respective service.

Royalty revenue is earned weekly based on a percentage of franchisees' sales over the term of the franchise agreement. Royalties are based on a percentage of monthly sales of each store and are recognized as income in the month earned, on the accrual basis.

During the 52 weeks ended December 26, 2021, \$957 of revenue was recognized in relation to carried-forward contract liabilities where performance obligations were satisfied in the current period (52 weeks ended December 27, 2020 – \$727). The Company recognizes revenue for unexercised rights when the likelihood of the exercise becomes remote and it is highly probable that a significant reversal of the amount recognized will not occur. In the 52 weeks ended December 26, 2021, the statement of income and comprehensive income includes \$447 of franchise fee revenue with respect to a one-time change in the Company's estimated future performance obligations.

The following table shows unsatisfied performance obligations from pre-opening support services and access to IP:

	As at December 26, 2021	As at December 27, 2020
Aggregate transaction price allocated to:		
Pre-opening support services	\$ 500	\$ 1,010
Access to IP	\$ 684	\$ 1,111
	\$ 1,184	\$ 2,121

Management expects approximately 32% of the transaction price allocated to pre-opening support services will be recognized as revenue over the next 52 weeks. Management expects the transaction price allocated to IP to be recognized as revenue over the remaining terms of each related franchise agreement. The average remaining term is 5.4 years.

Amounts Receivable

Receivables are primarily comprised of amounts due from franchisees. The Company reports amounts receivable at net realizable value. The Company recognizes an allowance for doubtful accounts in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, the creditworthiness of its franchisees and economic conditions.

The ongoing impacts of the COVID-19 pandemic on sales at franchise store locations has led to increased uncertainty and a higher degree of subjectivity in determining the value and timing of collection of royalties and franchise fee receivables

Other Assets

Other assets consists of contract inducements entered into in the 53 weeks ended December 31, 2017.

Loans Receivable

Management reviews loans receivable at each balance sheet date to determine whether the amounts due to the Company are recoverable. Recoverability is determined by reviewing the payment history and the creditworthiness of loan counterparties. In determining recoverability, management makes estimates regarding timing and value of expected future cash balances based on these inputs.

Gift cards and mobile application program

The gift card and mobile application program allows customers to prepay for future purchases by loading a dollar value onto their gift cards or mobile application through cash or credit/debit cards in our restaurants or online with a credit card, when and as needed. The gift card and mobile application purchases are nonrefundable and not redeemable for cash. Deferred gift card and mobile application balances are included in accrued liabilities in the balance sheets.

Our gift cards do not have an expiration date and we do not deduct non-usage fees from outstanding gift card balances. We recognize gift card breakage revenue by applying our estimate of the rate of gift card breakage over the estimated period of redemption. These estimates are based on our historical redemptions. During the 52 weeks ended December 26, 2021, the Company recognized gift card breakage of \$21 in franchise revenue (52 weeks ended December 27, 2020 – \$22) based on the value of gift cards expected to not be redeemed.

Management Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The revenue recognition policies selected require the use of estimates and assumptions that may affect the reported amounts of the recognized and deferred revenues, related commission expenses and collectability of amounts receivable.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Freshii brand within a defined geographical area. The Company believes that franchising is an effective and efficient means to expand the Freshii brand. The franchisee is required to operate its restaurants in compliance with its franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company has financial exposure for the collection of the royalty payments. Franchisees generally remit royalty payments weekly for the prior week's sales, which substantially minimizes the financial exposure. Franchise and area development fees are paid upon the signing of the related agreements.

3. FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its balance sheet include accounts payable and accrued liabilities. The Company manages liquidity risk by closely monitoring cash flow requirements and future cash flow forecasts to ensure it has access to funds through its existing cash, committed

borrowing facility and from operations to meet operational and financial obligations. Despite the expected impacts of the ongoing COVID-19 pandemic, the Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

Credit risk

The Company's credit risk is primarily attributable to its trade and loan receivables. Trade and other receivables and loans receivable primarily comprise amounts due from franchisees. As discussed above, the COVID-19 pandemic has impacted franchisee traffic and sales, which may increase the credit risk or collectability associated with these receivables. In the normal course of business, credit risk associated with these receivables is mitigated for a number of reasons including the following:

- The Company's broad franchise base is spread across the USA, which limits the concentration of credit risk.
- Prior to accepting a franchisee, the Company undertakes a detailed screening process which includes the requirement that a franchisee has sufficient financing.
- Franchisee balances beyond a particular age are reviewed and evaluated and in cases where management considers that the expected recovery is less than the actual account receivable, the Company accounts for this with a specific bad debt provision.
- The Company regularly monitors collection performance and pledge security for its loans receivables to ensure adequate payments are being received and adequate security is available. Pledged security can vary by agreement, but generally includes inventory, equipment, securities, and personal guarantees.

The amounts disclosed in the balance sheet are net of allowances for doubtful accounts, estimated by the Company's management based on past experience and specific circumstances of the counterparty. As at December 26, 2021, amounts receivables has been recorded net of allowance for doubtful accounts of \$25 (December 27, 2020 - \$82).

Other financial instruments that potentially subject the Company to credit risk consist principally of cash. The Company maintains its cash in a bank deposit account, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk with respect to its cash.

4. LOANS RECEIVABLE

The loans receivable represent long-term financing to existing franchise partners who qualified for a capital loan program to continue growing the Freshii brand. These loans are primarily secured by inventory, equipment, securities and personal guarantees. They bear interest at rates of 5.75% to 6% and are due October 31, 2022. Total interest income on loans receivable for the 52 weeks ended December 26, 2021 was \$1 (52 weeks ended December 27, 2020 – \$9). As at December 26, 2021, loans receivable are recorded net of a loss allowance of \$44 (December 27, 2020 – \$170).

5. RELATED PARTY TRANSACTIONS

At December 26, 2021, the Company had advanced a total of \$7,651 (2020 \$7,702) to and received advances of \$577 (2020 - \$731) from entities affiliated with the Company through common ownership. Such advances are due on demand and are non-interest-bearing.

The Company was also charged for the use of management services, personnel, facilities, equipment and other items in the Company's operation from affiliated entities in the amount of \$1,580 (2020 -

\$1,655).

6. COMMITMENTS, CONTINGENCIES AND LITIGATION

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, regulatory, franchisee related and environmental claims. In additions, the Company is potentially subject to regular audits from federal and state tax authorities relating to income, commodity and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these financial statements.

EXHIBIT G

STATE-SPECIFIC ADDENDUM

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE STATE OF CALIFORNIA

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

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

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

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

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Area Development Agreement and Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The Area Development Agreement, Multi-Unit Site Selection Agreement and Franchise Agreement require application of the laws of Ontario, Canada, with certain exceptions. These provisions might not be enforceable under California law.

Arbitration. The Area Development Agreement and Franchise Agreement require binding arbitration. The arbitration will occur at a suitable site that the arbitrator chooses in Ontario, Canada, with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Area Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of

Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE FRESHII DEVELOPMENT, LLC DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT, MULTI-UNIT SITE SELECTION AGREEMENT AND AREA
DEVELOPMENT AGREEMENT**

REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**STATE ADDENDUM TO THE FRESHII DEVELOPMENT, LLC
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND
AREA DEVELOPMENT AGREEMENT FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 18 of the Franchise Agreement and Section 15 of the Area Development Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE STATE OF MARYLAND

1. **The following language is added to the beginning of Item 4 of the Area Development Agreement, Article 2 of the Multi-Unit Site Selection Agreement, Article 6.A. of the Franchise Agreement, and Item 5 of the Disclosure Document:**

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. In addition, all development fees and initial payments by area developer or a multi-unit site selection franchisee shall be deferred until the first franchise under the area development agreement opens.

2. The "Summary" sections of Items 17(c) and 17(m) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" sections of Item 17(h) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

4. The "Summary" sections of Item 17(v) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Subject to arbitration requirements, litigation generally must be in Ontario, Canada, although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" sections of Item 17(w) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Except for Federal Arbitration Act, other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, Illinois law governs.

6. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Area Development Agreement or Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By:_____
Name:_____
Title:_____

FRANCHISEE:

Witness

By:_____
Name:_____
Title:_____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY 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 franchises.
- (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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE STATE OF MINNESOTA

1. The last paragraph of Item 13 of the Disclosure Document is deleted and replaced with the following:

If you have complied with all of our requirements that apply to the Marks, we will protect your right to use the principal Mark and indemnify you from any loss, costs, or expenses arising out of any claims, suits, or demands regarding your use of the principal Mark, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12. Subd. 1(g).

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

For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the franchise agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable, and subject to your arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

Minnesota Rule Part 2860.4400J prohibits a franchisee in certain cases from waiving rights to a jury trial; waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in the agreements to the extent the law allows.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF 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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

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

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

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

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

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

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By:_____
Name:_____
Title:_____

FRANCHISEE:

Witness

By:_____
Name:_____
Title:_____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement, Multi-Unit Site Selection Agreement and Area Development Agreement effectively amends and revises said documents as follows:

1. Item 17I of the Disclosure Document and Sections 13.D.(8), 14(iii) and 16.E.(3) of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, 16.D of the Franchise Agreement and Article 13.D of the Area Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Section 16.A of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 18 of the Franchise Agreement and Article 15 of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 18.G of the Franchise Agreement, Article 10.2 of the Multi-Unit Site Selection Agreement and Article 15.G of the Area Development Agreement which require jurisdiction of courts in Ontario, Canada are deleted.

6. Item 17(w) of the Disclosure Document, Article 18.H of the Franchise Agreement and Article 15.H of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 18.I of the Franchise Agreement and Article 15.I of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 18.L of the Franchise Agreement and Article 15.L of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20__.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
DISCLOSURE REQUIRED BY THE COMMONWEALTH OF VIRGINIA

1. The following is added to the State Cover Page of the Franchise Disclosure Document:

THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME SINCE FEBRUARY 2008. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

2. The "Summary" section of Item 17(h) of Area Development Agreement, Multi-Unit Site Selection Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

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 or area development 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 given right to him under the franchise. If any provision of the franchise agreement or area development 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.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20____.

ATTEST

FRESHII DEVELOPMENT, LLC

Witness

By: _____
Name: _____
Title: _____

FRANCHISEE:

Witness

By: _____
Name: _____
Title: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about

the entry of the AOD. The franchisor has complied with all such requirements. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

The undersigned does hereby acknowledge receipt of this addendum. Dated this _____ day of _____, 20____.

Franchisor

Franchisee

EXHIBIT H
LIST OF FRANCHISEES
(As of December 31, 2022)

ARIZONA	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	1290 S. Normal Ave Tempe, Arizona 85281
CALIFORNIA	
Franchisee	Location
SSP America, 19465 Deerfield Ave, Ste 105 Lansdowne, Virginia 20176	Sacramento Airport 6850 Airport Blvd Ste 5 Sacramento, California 95837
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive Fullerton, California 92835 (503) 320-0703	1253 University Avenue, Suite B San Diego, California 92103 (858) 564-3447
FLORIDA	
Franchisee	Location
Jomari Foods LLC Alexandre M. Bittencourt, Luciana B de A Bittencourt 14631 Heathermere Lane Orlando, Florida 32837	7600 Dr Philips Boulevard #10 Orlando, Florida 32819 407-203-8862
Green Candy, LLC 846 Addison Drive NE St. Petersburg, Florida 33716	10328 Roosevelt Boulevard North St. Petersburg, Florida 33716
EAT IQ INC 327 S. CO. HWY 393, Suite A Santa Rosa Beach, Florida, 32459	12805 US HWY 98 East Inlet Beach, Florida 32413
GCC Healthy Fast Casual Corporation Greg Cole & Jamie Cole 1436 Via Verdi Drive Palm Harbor, Florida 34683 (678) 488-0376	1737 Main Street Dunedin, Florida, 34698 (727) 325-1730

GEORGIA	
Franchisee	Location
Cast Enterprise, LLC Troy Matthews 12657 Lecom Trace Milton, Georgia 30004 (404) 680-2623	12460 Crabapple Road Alpharetta, Georgia 30004 (470) 233-7036
Cast Enterprises, LLC Troy Matthews 12657 Lecom Trace Milton, Georgia 30004 404-680-2623	231 Peachtree Street NE B29 Atlanta, Georgia 30303
ILLINOIS	
Franchisee	Location
Fresh Food Management, LLC 35 Shenandoah Deerfield, Illinois 60015	Walgreens 410 N. Michigan Avenue Chicago, Illinois
350 North Investors, LLC 35 Shenandoah Rd Deerfield, Illinois 60015	350 North LaSalle Boulevard Chicago, Illinois 60606 312-836-0160
Ritus LLC Rocco Armocida 1590 West Algonquin Road #225 Hoffman Estates, Illinois 60192	5220 Fashion Outlets Way Rosemont, Illinois 60018 847-678-9373
Compass Group USA Inc 2400 Yorkmont Road Charlotte, North Carolina 28217	University of Illinois in Chicago 828 South Wolcott Avenue Chicago, Illinois 60612 312-996-4540
Energized Foods LLC 1910 South James Court North Lake Forest, Illinois 60045	600 East Grand Avenue Chicago, Illinois 60611
Queen Green LLC Carolyn Michaels 3013 Iroquois Road Wilmette, Illinois, 60091 312-233-3399	1 Oakbrook Center Chicago, Illinois, 60523 630-974-6969
KENTUCKY	
Franchisee	Location
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24th Floor Philadelphia, Pennsylvania 19107	University of Kentucky 680 Rose Street Lexington, Kentucky 40505
MARYLAND	

Franchisee	Location
Bootmata LLC 100 Havencrest Street Rockville, Maryland 20850	9613 East Medical Center Drive, #4 Rockville, Maryland 20850 240-328-1037
Sodexo Operations LLC 9801 Washingtonian Boulevard Gaithersburg, Maryland, 20878 301-987-4000	6701 North Charles Street Baltimore, Maryland, 21204 443-849-2716
MASSACHUSETTS	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	UMASS 71 Wilder Street Lowell, Massachusetts 01850
MICHIGAN	
Franchisee	Location
Freshcraft LLC Nathan and Dan Ashcraft 576 Hillview Place Rockford, Michigan 49341	160-146 Monroe Center NW Grand Rapids, Michigan 49503 616-551-1449
Freshcraft LLC Nathan and Dan Ashcraft 576 Hillview Place Rockford, Michigan 49341	Knapps' Crossing 2002 E. Beltline Avenue NE Grand Rapids, Michigan 49503
MINNESOTA	
Franchisee	Location
Southdale Fresh LLC 225 W Washington Street Indianapolis, Indiana 46204	10 Southdale Circle #2305 Edina, Minnesota 55435 925-314-8253
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	University of Minnesota Phillips Wagensteen Building 516 Delaware Street SE Minneapolis, Minnesota 55455
Fresh Food Twin Cities 23321 Woodland Ridge Drive Lakeville, Minnesota 55044	Gaviidae Common 651 Nicollet Mall Suite 239 Minneapolis, Minnesota 56601

MISSISSIPPI	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	University of Mississippi 218 Dormitory Row West University, Mississippi 38677 601-940-9123
NEW JERSEY	
Franchisee	Location
Eat Fresh NJ LLC Kevin O'Hear 25 Norwood Avenue Avon-By-The-Sea, New Jersey 07717	838 State Route 35 Middletown, New Jersey 07748
FMS Enterprises, LLC Frank Stuto, Michael Sanders, Ron Stuto 225 Fernhead Avenue Monroe Township, New Jersey 08831 712-451-0200	131 Neilson Street New Brunswick, New Jersey 08901 732-427-8283
GCS Fresh One, LLC Greg Lahr, Kymberly Lahr 120 Park Avenue Berkeley Heights, New Jersey 07972 212-451-2933	1767 New Jersey 10 Morris Plains, New Jersey 07950 862-325-9109
NORTH CAROLINA	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	100 Campus Drive Elon, North Carolina 27244
OHIO	
Franchisee	Location
Sapp Restaurant Enterprises Inc. Kasey Kist and Becca Kist 7187 Fodor Road New Albany, Ohio 43054 (614) 312-0647	6745 Avery-Muirfield Drive Dublin, Ohio 43016 (614) 401-5574
SAPP RESTAURANT ENTERPRISES, INC. James H. Sapp and Patricia Sapp 7187 Fodor Road New Albany, Ohio 43054 (614) 741-8115	160 West Main Street New Albany, Ohio 43054 (614) 741-8115
SAPP RESTAURANT ENTERPRISES, INC. James H. Sapp and Patricia Sapp	2510 East Main Street Bexley, Ohio 43209

7187 Fodor Road New Albany, Ohio 43054 (614) 741-8115	(614) 591-0055
OREGON	
Franchisee	Location
Columbia Fresh Holdings, LLC 20411 NE 159 th Avenue Battle Ground, Washington 98604 503-908-8124	100 SW Main Street, #130 Portland, Oregon 97205 971-337-3489
Columbia Fresh Holdings, LLC 20411 NE 159 th Avenue Battle Ground, Washington 98604 503-908-8124	4811 Meadows Road, Suite 111 Lake Oswego, Oregon 97035
LUDIS & RIGHTKICK COMPANY Mustafa Afshari 13895 SW Meridian Street, #314 Beaverton, Oregon 97005 (503) 583-7615	11727 SW Beaverton Hillsdale Highway Portland, Oregon 97005 (971) 256-9319
PENNSYLVANIA	
Franchisee	Location
Sodexo, Inc. 9801 Washington Boulevard Gaithersburg, Maryland 20878	Penn Presbyterian Hospital 51 North 39 th Street Philadelphia, Pennsylvania 19104
NORTH FORK LAKE INC. Laurie Waller, Jeff Waller 1337 Princeton Place Wexford, Pennsylvania 15090 (412) 760-9873	501 Grant Street Pittsburgh, Pennsylvania 15219 (412) 430-0318
NORTH FORK LAKE INC. Laurie Waller, Jeff Waller 1337 Princeton Place Wexford, Pennsylvania 15090 (412) 760-9873	1713 PA-228 Cranberry Township, Pennsylvania 16066 412-230-3356
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	907-937A Market Street Philadelphia, Pennsylvania 19107 215-475-7944
PUERTO RICO	
Franchisee	Location
RSD Food Corporation La Villa Garden, Carretera 833, Apt. 1229 Guaynabo, Puerto Rico 00871 787-923-0743	670 Ponce de Leon Avenue Miramar, Puerto Rico 00907 787-520-8516

TEXAS	
Franchisee	Location
STE Food One LLC 5700 Thackery Drive Plano, Texas 75093	1412 Main Street, #101 Dallas, Texas 75202 214-748-6000
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	1311 South 5 th Street Waco, Texas 76706
STE Food Two LLC 5700 Thackery Drive Plano, Texas 75093	700 North Pearl Street, Suite A100 Dallas, Texas 75201 214-748-6000
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	University of Houston 4790 Calhoun Road Houston, Texas 77004
NKK LLC Roshan Bastola, Taj Nath Bastola, Utpalendu Mjumdar 10516 Love Court McKinney, Texas 75070 773-742-7201	930 East Campbell Road, #104 Richardson, Texas 74081 972-497-2268
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	Trinity University, US Coates University Center, The Commons San Antonio, Texas 78212-7200
STE Food Five LLC 5700 Thackery Drive Plano, Texas 75093	2414 Victory Park Lane Dallas, Texas 75219
STE Food Three LLC Sonia Elhence 5700 Thackery Drive Plano, Texas 75093	Baylor Medical Center 3600 Gaston Avenue, Suite 107 Dallas, Texas 75246
STE Food Four, LLC 2200 Victory Avenue, #1805 Dallas, Texas 75219 972-342-4322	310 West Las Colinas Boulevard Dallas, Texas, 75039 469-351-7516
I & I Restaurant Group, LLC Ifraan & Ibrahim Bhaidani 2047 Three Forks San Antonio, Texas 78258 210-274-4214	22026 North US Highway San Antonio, Texas 78258 210-714-3783
STE Food Six, LLC 2200 Victory Avenue, #1805 Dallas, Texas 75219 (972) 342-4322	105-6635 Cowboys Way Frisco, Texas 75034 (972) 370-5796

SSP America 19465 Deerfield Avenue, Suite 105 Lansdowne, Virginia 20176	3100 Terminal Road (Terminal B) Houston, Texas 77032
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	354 West 5 th Street Fort Worth, Texas 76102 817-203-1035
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	8704 Cypress Waters Boulevard, Suite 180 Irving, Texas 75063 469-351-5991
WASHINGTON	
Franchisee	Location
TJM VENTURES, LLC Marcia Tunheim 4210 79 th Avenue NW Olympia, Washington 98502 (360) 791-1117	575 Bellevue Way NE Bellevue, Washington 98004
Columbia Fresh Holdings, LLC Michael Norcup, Whitney Norcup, Scott Mukensnabl, Tracy Mukensnabl 20411 NE 159 th Avenue Battle Ground, Washington 98604 360-718-2246	910 NE Tenney Road, #103 Vancouver, Washington 98685
Columbia Fresh Holdings, LLC Michael Norcup, Whitney Norcup, Scott Mukensnabl, Tracy Mukensnabl 20411 NE 159 th Avenue Battle Ground, Washington 98604 360-314-6418	18919 SE Mill Plain Boulevard, Suite 200 Vancouver, Washington 98683
TJM VENTURES LLC Marcia Tenheim 4210 79 th Avenue NW Olympia, Washington 98502 (360) 791-1117	1200 Cooper Point Road SW Olympia, Washington 98502 (360) 350-6538
740 Ventures, LLC Brian Whiteaker 6250 151 st Avenue NE Lake Stevens, Washington 98258	2184 NE Woodinville Duvall Road Woodinville, Washington 98072 (425) 209-1604
WISCONSIN	
Franchisee	Location
MKE CATERING, LLC	250 East Wisconsin Avenue

Andy Tran 882 Tallgrass Drive Grafton, Wisconsin 53024 (720) 951-1599	Milwaukee, Wisconsin, 53202 (414) 921-0819
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Franchisees who had signed an agreement, but whose outlet had not yet opened as of December 25, 2022:

NEW YORK

Franchisee business entity name: LaGuardia Hospitality Group, LLC

Individual names: Salmaan Himani, Vaughn McKoy

Business Entity Address: 11 Evan Drive, Morganville, New Jersey 07751

State the unit is projected to open in: NEW YORK

Locations not yet opened: 1

TEXAS

Franchisee business entity name: Level Hospitality, LLC

Individual names: Nathan Leitner, Al-Hussain Velji

Business Entity Address: 335 Queen St West Toronto ON M5V 2A4, Canada

State the unit is projected to open in: TEXAS

Locations not yet opened: 1

EXHIBIT I

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(As of December 31, 2022)

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

FRANCHISEES:

CALIFORNIA	
Franchisee	Location
CANADA ENTERPRISES, Inc Darrin Little 18761 Hawkhill Avenue Perris, California, 92570 951-233-9709	3434 Arlington Avenue Riverside, California 92506 (951) 228-9303
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive, Fullerton, CA 92835 (50) 320-0703	1380 Garnet Avenue San Diego, California 92109 (619) 323-0732
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive Fullerton, California 92835 (503) 320-0703	119 Broadway San Diego, California 92101 (479) 321-3404
CONNECTICUT	
Franchisee	Location
JLS of Farmington LLC Frank Williams 4 Stratford Road Farmington, Connecticut 06032 443-845-5323	54 LaSalle Road West Hartford, Connecticut 06107 860-616-0957
FLORIDA	
Franchisee	Location
FINGERLINCOLNGOOD, LLC Derek Lincoln 112900 Legacy Avenue, Suite K110 Palm Beach Gardens, Florida 33410 615-995-1566	201 U.S. 1 Jupiter, Florida 33477 561-529-9777
EATIQ INC. Caleb Smith 327 S. CO. HWY 393, Suite A Santa Rosa Beach, Florida 32459 (914) 500-7972	145-101 Bluefish Drive Panama City Beach, Florida 32413 (850) 708-3239

Green Candy, LLC Chitra Naidu 846 Addison Drive NE St. Petersburg, Florida 33716	12913 Dale Mabry Hwy Tampa, Florida, 33618
ILLINOIS	
Franchisee	Location
Queen Green LLC Carolyn Michaels 3013 Iroquois Road Wilmette, Illinois, 60091 312-233-3399	1 Oakbrook Center Chicago, Illinois, 60523 630-974-6969
INDIANA	
Franchisee	Location
Fresh Hay Inc 10515 Wadsworth Court Fort Wayne, Indiana 46845	The Harrison 301 West Jefferson Street Fort Wayne, Indiana 46845
RebNnea Fresh Foods LLC Regina Vaughn 3600 Cavendish Court West Lafayette, Indiana 47906 765-421-1416	102 North Chauncey Avenue West Lafayette, Indiana 47906 (765) 250-9182
IOWA	
Franchisee	Location
MOCA Inc. Trevis Adair & Tony Vieth 6419 Nordic Drive Cedar Falls, Iowa, 50613 319-550-2125	4505 Algonquin Drive Cedar Falls, Iowa, 50613 (319) 243-1528
Eikenberry LLC Jacob Eikenberry, Courtney Eikenberry 4029 West Columbia Avenue Davenport, Iowa 52804 563-370-1605	5009 Competition Drive Bettendorf, Iowa 52722 563-232-8054
MASSACHUSETTES	
Franchisee	Location
Sodexo Operations LLC 9801 Washingtonian Boulevard Gaithersburg, Maryland 20878 (301) 987-4000	Beth Israel Deaconess Medical Centre 330 Brookline Avenue Boston, Massachusetts, 02215 (617) 667-3690
NEW YORK	
Franchisee	Location
Johnathan Blob	240 Main Street

919-225-5363	White Plains, NY 10601, United States
NORTH CAROLINA	
Franchisee	Location
The Hutchens Group, Inc. James Hutches, John Hutchens 5010 Sentinel Post Road Charlotte, North Carolina 28226	BB&T Center, 200 S College St #312 Charlotte, NC 28202
PENNSYLVANIA	
Franchisee	Location
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	907-937A Market Street Philadelphia, Pennsylvania 19107 215-475-7944
TEXAS	
Franchisee	Location
I & I Restaurant Group, LLC Ifran & Ibrahim Bhaidani 2047 Three Forks San Antonio, Texas 78258 210-274-4214	22026 North US Highway San Antonio, Texas 78258 210-714-3783
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	8704 Cypress Waters Boulevard, Suite 180 Irving, Texas 75063 469-351-5991
SH Food Group, LLC Sebastian Santos and Natalie Herman 3821 S Buckner Boulevard Dallas, Texas 75227	105-6635 Cowboys Way Frisco, Texas 75034 (972) 370-5796
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24th Floor Philadelphia, Pennsylvania 19107	University of Houston 4790 Calhoun Road Houston, Texas 77004
VIRGINIA	
Franchisee	Location
Cast Enterprises, LLC Troy Matthews 12657 Lecom Trace Milton, Georgia 30004 404-680-2623	111-1700 Willow Lawn Drive Richmond, Virginia 23230 (804) 223-8027

WASHINGTON DC	
Franchisee	Location
Melissa Barnes 575 Bellevue Way NE Bellevue, Washington 98004	575 Bellevue Way NE Bellevue, Washington 98004
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 th Floor Philadelphia, Pennsylvania 19107	4400 Massachusetts Avenue NW Washington, DC 20016

EXHIBIT J
FRESHII DEVELOPMENT, LLC
RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS
RELEASE

THIS CONSENT TO RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS (the "Release") is effective this ____ day of _____ 20__ (the "Effective Date"), by and among **FRESHII DEVELOPMENT, LLC** a Delaware limited liability company (the "Company"), and _____, a _____ ("Franchisee/Transferor").

RECITALS:

WHEREAS, Franchisee/Transferor and the Company entered into a certain Franchise Agreement dated as of _____, 20__ (the "Franchise Agreement" and, together with all related documents and agreements, the "Franchise Documents") granting Franchisee/Transferor the right to operate a Freshii Restaurant at _____ (the "Restaurant") according to the terms of the Franchise Documents (all initial capitalized terms used but not defined in this Release shall have the meanings set forth in the Franchise Agreement); and

WHEREAS, Franchisee/Transferor wishes to renew or assign its interest in the Franchise Documents and the Restaurant, and all related rights; and

WHEREAS, the Franchise Agreement contains Franchisee's/Transferor's obligation to sign a release of claims in connection with any renewal of or transfer under the Franchise Documents; and

WHEREAS, the Company is willing to approve the renewal of or transfer under the Franchise Documents, as applicable (the "Transaction"), if, among other things, Franchisee/Transferor and its related parties agree to the terms of this Release; and

WHEREAS, Franchisee/Transferor and its related parties are willing to agree to the terms of this Release in order to obtain the Company's consent to the Transaction.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Release and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Release of the Company Parties and Covenant Not to Sue.** Franchisee/Transferor, for itself and its affiliates, each of their respective owners (including, without limitation, each person listed under "Owners" on the signature page of this Release) (collectively, the "Owners"), officers, directors, partners, managers, employees, representatives and agents, and all of their respective successors, heirs, executors, administrators, personal representatives and assigns (collectively, the "Renewing/Transferring Parties"), hereby forever releases and discharges the Company, its predecessors, its and their affiliates, and all of their respective managers, officers, directors, owners, employees, agents, heirs, representatives, successors and assigns (collectively, the "Company Parties"), from any and all claims, damages, demands, causes of action, debts, costs, suits, duties, obligations, liabilities and agreements of any nature and kind whatsoever (collectively, "Claims") which any of the Renewing/Transferring Parties now has, ever had, or, but for this Release, hereafter would or could have against any of the Company Parties relating to or arising directly or indirectly in connection with any of the Renewing/Transferring Parties' rights or any of the Company Parties' obligations under the Franchise Documents, or otherwise relating to or arising directly or indirectly in connection with the relationship between any of the Renewing/Transferring Parties and any of Company Parties, at any time prior to the Effective Date, excepting only Claims arising under the Maryland Franchise Registration and Disclosure Law.

Franchisee/Transferor and the Owners, for themselves and the other Renewing/Transferring Parties, further covenant not to sue any of the Company Parties on any of the Claims released by this Section 1. Franchisee/Transferor and each of the Owners, jointly and severally, hereby represent and warrant to the Company Parties that: (a) each has full power and authority to sign this Release and bind all of the Renewing/Transferring Parties to its provisions; (b) none of the Renewing/Transferring Parties has assigned any of the Claims released by this Section 1 to any individual or entity who is not bound by this Section 1; and (c) the Owners collectively own all of the issued and outstanding shares of capital stock or other ownership interests in Franchisee/Transferor.

Franchisee/Transferor and the Owners acknowledge a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor.”

Each of the Renewing/Transferring Parties hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that he, she, or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims released under this Release, each of the Renewing/Transferring Parties acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties' intention, subject to the terms and conditions of this Release, fully, finally and forever to settle and release all such Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given under this Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts

2. **Miscellaneous.**

(a) This Release, together with the other documents and agreements signed simultaneously with this Release in order to effect the Transaction, represents the entire agreement of the parties pertaining to the subject matter of this Release and supersedes all prior agreements, understandings and representations, whether oral or written.

(b) The Sections in the Franchise Agreement relating to enforcement of the Agreement, including, without limitation, the provisions relating to Arbitration, Governing Law and Consent to Jurisdiction, are incorporated in this Release by this reference as if fully stated here.

(c) The captions and headings are only for convenience of reference, are not a part of this Release, and will not limit or construe the provisions to which they apply. All references in this Release to the singular usage will be construed to include the plural and the masculine and neuter usages to include the other and the feminine. The obligations and liabilities of the Owners and Franchisee/Transferor to the Company shall be joint and several.

(d) This Release is binding upon and inures to the benefit of the Company, Franchisee/Transferor, the Owners and their respective successors, permitted assigns and legal representatives. This Release may be executed in multiple copies, each of which will be deemed an original.

(e) Each of the Company Parties will be deemed to be a third party beneficiary of this Release with an independent right to enforce it.

IN WITNESS WHEREOF, the parties have duly executed this Release on the day stated on page one.

FRESHII DEVELOPMENT, LLC

By: _____
Its: _____

FRANCHISEE/TRANSFEROR

[Name]
By: _____
Its: _____

OWNERS

[Name]

[Signature]

Name

Signature

EXHIBIT K
FRESHII DEVELOPMENT, LLC
SAMPLE LETTER OF INTENT



DATE

NAME

ADDRESS 1

ADDRESS 2

CITY, STATE, ZIP CODE

TELEPHONE: (XXX.XXX.XXX)

Dear NAME(S):

Thank you very much for your interest in becoming a franchisee partner with Freshii. Below, please find the business points to your franchise agreement with us. Please read this document and acknowledge below that you are in agreement to these business terms and conditions.

Franchisee: INDIVIDUAL NAME(S) (CORPORATION TO BE FORMED AT A LATER DATE)

Development Area: [MARKET AREA].

The specific trade area will be determined within forty-five (45) days of completion of the Franchise Agreement.

Number of Units: [NUMBER OF UNITS]

Fees Due Upon Signing: \$[FEE AMOUNT], plus applicable taxes will be applied.

Development Schedule: _____ () months from date of Franchise Agreement.

Closing/Expiration Date: [EXPIRATION DATE]_____ **(initial to accept date)**

You recognize and acknowledge that you may have access to certain confidential information not generally known to the public relating to the products, sales or business of Freshii (“Confidential Information”). You recognize and acknowledge that this Confidential Information constitutes a valuable, special and unique asset of Freshii Development, LLC. You acknowledge and agree that all such Confidential Information is and shall remain the exclusive property the Freshii Development, LLC. Additionally you agree that, except as directed by Freshii Development, LLC, that you will not at any time use or disclose to any person for any purpose any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared by or otherwise coming into the Franchisee’s possession or control, without the prior written permission of Franchisor.

This document is created exclusively to demonstrate your intent to develop Freshii restaurants. Upon signing this document and paying a non-refundable \$5,000 fee (“LOI Fee”), we are setting forth the framework of your deal and reserving your place in order to select your markets. However, after the agreed upon expiration date, all offers regarding this matter shall be rescinded and the territory shall be released.

AGREED AND ACCEPTED:

FRESHII DEVELOPMENT, LLC

FRANCHISEE

Name: _____ Date: _____ Name: _____ Date: _____

Name: _____ Date: _____

Name: _____ Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	Pending
Illinois	Pending (exempt)
Indiana	(exempt)
Maryland	<i>Pending</i>
Michigan	<i>Pending</i>
Minnesota	<i>Pending</i>
New York	June 6, 2018 (exempt)
North Dakota	Pending
Rhode Island	<i>Pending</i>
South Dakota	Pending
Virginia	Pending
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 Freshii Development, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Freshii Development, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Freshii Development, LLC, located at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606. Its telephone number is (312) 863-2151.

Issuance date: **May 19, 2023**

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows:

Shawn Saraga, 27 North Wacker Drive, Suite 426; Chicago, Illinois 60606, +1 (416) 712-5526

Freshii Development, LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document from Freshii Development, LLC dated as of _____, that included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Area Development Agreement
- C. Multi-Unit Site Selection Agreement
- D. Franchise Agreement
- E. Operations Manual Table of Contents
- F. Financial Statements
- G. State-Specific Additional Disclosures and Riders
- H. List of Franchisees
- I. List of Franchisees Who Have Left the System
- J. Renewal/Assignment of Franchise Documents Release
- K. Sample Letter of Intent

Date

Prospective Franchisee [Print Name]

(Date, Sign, and Return to Us)

Prospective Franchisee [Signature]

You may return the signed receipt by signing, dating and mailing it to Freshii Development, LLC at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606.

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