FRANCHISE DISCLOSURE DOCUMENT

GA Franchising, LLC
an Illinois limited liability company
1926 Miller Drive
Olney, IL 62450
Ph. 618-204-8994
office@gingeralesfranchise.com
www.gingeralesfranchise.com

The franchise offered is a beverage and snack food drive-thru business.

The total investment necessary to begin operation of a Ginger Ale's franchise is between $174,851 and $1,321,627 with the average being $543,408. This includes approximately $27,395 that must be paid to the franchisor or affiliate. There are no incremental initial investment costs if you become an area developer, but you must pay us the full initial franchise fee for the first Ginger Ale's franchise to be developed pursuant to the area development agreement and 50% of the initial franchise fee for any subsequent Ginger Ale's franchise to be developed.

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 Michael Hill at 1926 Miller Drive, Olney, IL 62450 and 618-204-8994.

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, N.W., 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.

Issuance Date: April 30, 2026.

EXHIBIT G

GA FRANCHISING, LLC

GINGER ALE'S RESTAURANT
FRANCHISE AGREEMENT

Location #:_____

FRANCHISE AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	_____
FRANCHISEE(S):	_____
ADDRESS FOR NOTICES:	_____
	_____
TELEPHONE NUMBER:	_____
E-MAIL ADDRESS:	_____
SITE SELECTION AREA:	_____
FRANCHISE LOCATION:	_____
INITIAL FRANCHISE FEE:	$25,000
BRAND DEVELOPMENT FUND CONTRIBUTION:	Currently, 1% of Adjusted Gross Sales. Amount is subject to change, but not to exceed 3% of Adjusted Gross Sales
GRAND OPENING ADVERTISING PROMOTION SPEND:	$2,000
ROYALTY FEE:	5% of Adjusted Gross Sales
TRANSFER FEE:	$1,500 (From individual Franchisee to an entity) 50% of initial franchise fee of then current franchise agreement on Change of Control to another Ginger Ale's franchisee. 75% of initial franchise fee of then current franchise agreement on Change of Control to another transferee than a Ginger Ale's franchisee.
SCHEDULED EXPIRATION DATE:	On the 10th anniversary from the Effective Date.
FRANCHISOR'S ADDRESS FOR NOTICE:	GA FRANCHISING, LLC 308 W. Mack Avenue Olney, IL 62450 ATTN: Board Chair

_____ _____

Franchisor Initial Franchisee Initial

GA FRANCHISING, LLC

FRANCHISE AGREEMENT

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Exhibits

A Approved Location
B Owners of Franchisee
C Protected Area Map
D Site To Be Determined Addendum
E Authorization Agreement for Prearranged Payments (Direct Debits)
F Confidentiality Agreement
G Covenant Agreement
H Addendum to Lease
I State Addendum (if applicable)

GA FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into at Olney, Illinois on _____, 20_____ (**"Effective Date"**), by and between GA FRANCHISING, LLC, an Illinois limited liability company (hereinafter referred to as **"Franchisor"**), and _____ (hereinafter referred to as **"Franchisee"**), whose principal business address is _____.

Recitals

A. Franchisor has developed and owns a concept and distinctive system for the design, decor, establishment, operation, and image of beverage and snack food drive-thru businesses under the Proprietary Marks utilizing certain Trade Secrets.

B. Franchisee desires to establish and operate a Ginger Ale's® franchised business (**"Franchised Business"**) under the System and wishes to obtain a franchise license from Franchisor for that purpose.

C. Franchisee recognizes the benefits to be derived from being identified with and franchised to use the System and Franchisee understands and acknowledges the importance of operating the business franchised hereunder in strict conformity with Franchisor's standards and specifications in order to enhance public acceptance of, and demand for, all System Locations.

D. Franchisor is relying upon the business skill, financial capacity, and character of Franchisee and its principals, and the guarantee of Franchisee's obligations by its principals, if applicable, as attached to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the promises contained herein, the parties agree as follows:

Article 1. Acknowledgments and Representations.

1.1 Franchisee acknowledges and represents to Franchisor, in order to induce Franchisor to enter this Agreement, as follows:

A. Franchisee has read this Agreement and Franchisor's franchise disclosure document and understands and accepts the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's standards of quality and service and the uniformity of those standards at each System Location in order to protect and preserve the goodwill of the Proprietary Marks.

B. Franchisee has conducted an independent investigation of the business contemplated by this Agreement. Franchisee recognizes that the nature of the business conducted by Franchisor may evolve and change over time; that an investment in a Ginger Ale's® Location involves business risks which have been considered by Franchisee; and that the success of the venture depends primarily upon Franchisee's business ability and efforts.

C. Franchisee has not received or relied upon any guarantee, expressed or implied, about the revenues, profits, or success of the business venture contemplated by this Agreement.

D. No representations have been made by Franchisor, its affiliates, or by their respective members, managers, officers, employees, directors, and/or agents, and Franchisee has not relied on any representations that are contrary to or not contained in the terms contained in this Agreement.

E. In all of their dealings with Franchisee, the members, managers, officers, employees, directors, and/or agents of Franchisor act only in a representative capacity, not in an individual capacity, and that this Agreement and all business dealings between Franchisee and such individuals as a result of this Agreement are solely between Franchisee and Franchisor.

F. All information contained in the application made by Franchisee to Franchisor is true, correct, and complete. Franchisee has made no incorrect statement in the application or failed to make any statement that would be necessary to make the statements in the application not misleading.

1.2 The definitions applicable throughout this Agreement are set forth below:

A. **"Affiliate"** means with respect to a person (including any legal person), (i) a person (including any legal person) that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person; and (ii) any parent, spouse, lineal descendant or adopted child of such person, any spouse or adopted child of any such descendant or any child of such spouse, the executors, administrators, conservators or personal representatives of any such person or any person referred to in this clause (ii) and any person which, directly or indirectly, is owned or controlled by one or more of the persons referred to in this clause (ii).

B. **"Agreement"** has the meaning set forth in the introductory paragraph hereof.

C. **"Approved Location"** means the street address set forth on **Exhibit A** hereto.

D. **"Brand Development Fund Fee"** means the contribution to the Brand Development Fund set forth in Article 4.1.C.

E. **"Brand Development Fund"** means the Brand Development Fund provided for in Article 9.3.

F. **"Change in Control"** means (i) the acquisition, directly or indirectly, in one transaction or a series of related transactions, by any person or affiliated group of the beneficial ownership of ownership interest in Franchisee representing 50% or more of the equity interest in the Franchisee, (ii) any merger or consolidation of Franchisee other than a merger or consolidation where fifty one percent (51%) or more of the total combined voting power of all outstanding ownership interest of the surviving entity or the acquiring entity, as the case may be, shall be received by and/or held immediately after the consummation of such transaction by one or more holders of the outstanding ownership interest of Franchisee, immediately prior to such transaction, or (iii) the sale, transfer, license or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of Franchisee to which this Agreement relates.

G. **"Commencement of Construction," "Commence Construction,"** or **"Construction Commencement"** means the date that the construction of the Location begins at the Approved Location.

H. **"Competing Business"** means cafes, coffee shops, ice cream shops, restaurants, and any other business, for which 25% or more of revenue is derived from the sale, whether retail or wholesale, of beverage flavorings, shakes, smoothies, fountain drinks, lemonade, coffee/tea and coffee/tea drinks, or that is otherwise similar to a Franchised Business.

I. **"Construction Completion"** has the meaning set forth in Article 5.5.

J. **"Controlling Interest"** means more than 50% of the voting interest in an entity, or such other ownership or voting interest that allows the holder thereof to control significant decisions in such entity.

K. **"Dispute"** or **"Disputes**" has the meaning set forth in Article 19.1.

L. **"FF&E"** means fixtures, equipment, furnishings, furniture, computer systems, POS system, signs, supplies and other items used in the operation of the Location.

M. **"Franchised Business"** means the Ginger Ale's® Location franchised to, developed, and operated by Franchisee under this Agreement.

N. **"Franchisee"** has the meaning set forth in the introductory paragraph of this Agreement.

O. **"Franchised Interests"** has the meaning set forth in Article 13.2.

P. **"Franchised Business"** or **"Location"** means the Ginger Ale's® restaurant operated pursuant to the terms and conditions of this Agreement.

Q. "**Adjusted Gross Sales**" means the total revenues of the Franchised Business calculated according to the following formula: Gross Reported Sales (meaning all sales recorded through the Franchised Business point-of-sale system, whether generated at the Approved Location, through direct online ordering, or otherwise) MINUS Sales Tax collected and remitted to applicable taxing authorities MINUS the gross proceeds from the initial sale of gift cards at point of sale MINUS any gratuity or tip amounts collected through online ordering platforms that are remitted in their entirety to a charitable or community fund maintained by the Franchised Business and not retained by Franchisee or any Owner PLUS Third-Party Platform Sales (meaning all revenue received from third-party delivery and ordering platforms, including without limitation DoorDash, Uber Eats, and similar services, which are reported and deposited separately from the point-of-sale system) PLUS the value of any Authorized Discounts applied at point of sale with prior written approval of Franchisor. Franchisee shall maintain complete and accurate records of all Third-Party Platform settlement reports and shall make such records available to Franchisor upon request or during any audit conducted pursuant to this Agreement. Adjusted Gross Sales shall be determined in accordance with the accounting methods and procedures specified in the Manual, as amended from time to time.

R. **"Incapacitated"** or **"Incapacity"** means, in the reasonable opinion of Franchisor, the inability of Franchisee, or its majority owner if an entity, to operate the Franchised Business in the ordinary course of business for 30 days or more in any consecutive 90-day period.

S. **"Indemnitees"** means collectively Franchisor and its members, its affiliated companies, and each of their respective owners, shareholders, managers, agents, representatives, officers, directors, employees, partners, and other Affiliates.

T. **"Initial Franchise Fee"** means the fee due upon execution and delivery of this Agreement as provided in Article 4.

U. **"IP Owner"** means JMH Ventures, LLC.

V. **"Liquidated Damages"** means the damages to be paid by Franchisee pursuant to Article 15.12 for premature termination of this Agreement.

W. **"Location"** means the Ginger Ale's® Location operated by Franchisee under this Agreement. The Location comprises all structures, facilities, appurtenances, FF&E, and entry, exit, parking and other areas located on, or that are part of, the site of the Approved Location, as well as all real property rights thereto.

X. **"Manual"** means, collectively, the Operations Manual and other System standards, manuals, and directions (whether in written, machine readable, electronic, or any other form), as they may be modified, amended or supplemented by Franchisor in its sole discretion, setting out the standards, methods, procedures, techniques and specifications of the System.

Y. **"Mobile/Trailer Unit"** means a Ginger Ale's mobile concession type location operated by Franchisee under this agreement. The mobile/trailer unit comprises all trailers, vehicles and FF&E.

Z. **"Non-Traditional Venue"** means any non-foodservice businesses of any sort within which a System Location is established and operated, including, for example, hotels and resorts (where the System Location is enclosed within the confines of a hotel or resort structure); airports and other travel facilities; federal, state, or local government facilities (including military bases); theme and amusement parks; recreational facilities; colleges and other academic facilities; shopping malls; theaters; train stations; toll roads; hospitals; casinos; department stores; supermarkets; gasoline convenience stores; and sporting event arenas and centers.

AA. **"Online Presence"** means the Website, other websites, social media accounts, mobile applications, or other media or online presence (in any form and in any medium now existing or later developed) including any individual franchisee online presence as permitted or required by Franchisor. Franchisor will determine the content and use of its Online Presence including establishing any rules and guidelines under which the Franchisee will participate in such Online Presence, which may be modified by Franchisor from time to time.

BB. **"Opening"** means the date on which the Location first opens for business.

CC. **"Operating Principal"** means the Owner of Franchisee designated as such on **Exhibit B** hereto. The Operating Principal must, directly or indirectly, own at least 10% of the equity in Franchisee.

DD. **"Operations Data"** has the meaning set forth in Article 10.6.

EE. **"Payment"** or **"Payments"** has the meaning set forth in Article 4.2.

FF. **"Products"** or **"Product"** means any product authorized to be offered and sold through your Franchised Business.

GG. **"Proprietary Marks"** means the name "Ginger Ale's" and such names and any other trade names, service marks, trademarks, logos, emblems, or other indication of origin as are now or hereafter designated by Franchisor as part of the System.

HH. **"Protected Area(s)"** means the specific territory or territories franchised to the Franchisee.

II. **"Quality Assurance/Safety/Non-Compliance Review Fee"** has the meaning set forth in Article 8.3.

JJ. **"Royalty Fee"** means the continuing royalty fee set forth in Article 4.1.B.

KK. **"System"** means the method of operating a Ginger Ale's® fast casual beverage and snack food drive-thru restaurant business, including, but not limited to its distinctive beverage and food products prepared using certain type of equipment, supplies, and ingredients, according to special and confidential recipes and formulas, with unique storage, preparation, service, and delivery procedures and techniques; design, décor, color scheme, and furnishings; the Proprietary Marks designated to be part of the System; standards, specifications, programs and procedures for operations; programs and procedures for quality control; training and assistance; and advertising, direct sales, and promotional programs developed by Franchisor for the operation of a Ginger Ale's® Location under the Proprietary Marks utilizing the Trade Secrets. Franchisor may add, change, modify, withdraw, or otherwise revise any element of the System in its sole discretion.

LL. **"Systems Operations Data"** has the meaning set forth in Article 10.6.

MM. **"System Locations"** means all Ginger Ale's® Locations.

NN. **"Trade Secrets"** means confidential information, including, without limitation, (i) recipes, ingredients, proprietary products, formulas, customer and supplier lists, product specifications, (ii) methods of service and operations at System Locations, (iii) knowledge of sales and profit performance at any one or more System Locations, (iv) knowledge of test programs, concepts, or results relating to operating, new advertising and promotional programs, (v) sources of suppliers of products, ingredients, and equipment, (vi) advertising, promotion, and marketing techniques, (vii) methods and information regarding the selection and training of managers and other employees for System Locations; and (viii) the Manual.

OO. **"Transfer by Franchisee"** means the voluntary, involuntary, direct or indirect assignment, sale, gift, or other transfer of any Franchised Interest, including, without limitation, the following events: (i) the transfer of ownership of the stock or partnership or limited liability company ownership interest of Franchisee; (ii) any merger, reorganization, consolidation, or issuance of additional securities representing a direct or indirect ownership interest in Franchisee or the Location; (iii) any sale of a Controlling Interest in Franchisee in a single transaction or a related series of transactions; (iv) transfer of a Franchised Interest by declaration, division, or otherwise in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (v) transfer of a Franchised Interest in the event of Franchisee's death or the death of one of its owners with a Controlling Interest, by will, declaration of or transfer in trust, or under the laws of intestate succession; (vi) any change in ownership or control of any or all of the Franchised Interest by sale, gift, assignment, or otherwise; (vii) if Franchisee or any owner with a Controlling Interest is a trust, any change in the trustees or the beneficial owners of the trust; or (viii) a pledge, hypothecation, or encumbrance of any Franchised Interest intended as security for an obligation.

PP. **"Franchisor"** means GA Franchising, LLC, an Illinois limited liability company.

QQ. **"Website"** means the Franchisor home pages and any other internet and web pages or sites established by Franchisor, including any individual franchisee webpages on such Website permitted or required by Franchisor, and any Online Presence established by Franchisor or its Affiliates for the sale of Products.

Article 2. Grant of Franchise License.

2.1 Grant. Subject to the terms and conditions of this Agreement, and to the continuous compliance by Franchisee with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the nonexclusive right, and Franchisee undertakes the obligation, to operate a Ginger Ale's® Franchised Business in accordance with Franchisor's standards and specifications, including the operational standards procedures and techniques as prescribed in the Manual, and to use the System (as it may be changed, improved, and further developed by Franchisor) and the Proprietary Marks in connection therewith.

2.2 Approved Location. Franchisee shall operate the Franchised Business at, and only at, the Approved Location specified on **Exhibit A**. If Franchisee's site application has not been approved at the time of this Agreement, **Exhibit A** shall be automatically amended to list the Approved Location upon the unconditional approval of the site application by Franchisor. Franchisee agrees that Franchisor and Franchisor's owners and the subsidiaries and Affiliates, and owners of Franchisor, are not restricted from using the System or engaging in or licensing any business activity including System Locations or other restaurant at any other location, except as otherwise set forth in Article 2.

2.3 Protected Area. During the term of this Agreement, Franchisor will not, without Franchisee's consent, and provided Franchisee is in full compliance with the terms and conditions of this Agreement, operate itself or through an Affiliate or grant a license or franchise to, or otherwise authorize, any other person or entity to establish a Location using the System within Franchisee's Protected Area as set forth in **Exhibit C**, attached hereto. The Protected Area excludes Non-Traditional Venues, regardless of the proximity of such Non-Traditional Venues to your Location, or the impact thereof on your Location. If Franchisee is not in compliance with the terms and conditions of this Agreement, Franchisor shall be free to operate, directly or indirectly, or to authorize or license another person or entity to operate additional Properties within the Protected Area.

2.4 Product Sales. Franchisee may offer and sell Products only: (a) from the Location; (b) in accordance with the requirements of this Agreement and the procedures set forth in the Manual; and (c) to retail customers for personal consumption at the Location's premises or carry-out consumption, and if expressly permitted, for delivery or catering services. Franchisee agrees not to offer or sell Products through any means other than those provided above, for example, Franchisee agrees not to offer or sell Products from satellite locations, temporary locations, carts or kiosks, by use of catalogs, any Online Presence, or through any other digital format or print media, without Franchisor's prior written approval. Franchisee agrees not to sell Products to retail establishments for re-sale, without Franchisor's prior written consent.

2.5 Delivery and Catering. As of the Effective Date, delivery and catering activities from the Franchised Business are permitted within the Protected Area. Franchisee agrees to conduct all delivery activities in accordance with the procedures that Franchisor may specify in the Manual or otherwise in writing, and the revenue from those orders will be considered to be part of the Franchised Business' Adjusted Gross Sales. Among other things, Franchisee agrees not to engage in catering or delivery services outside of the Protected Area without Franchisor's prior written consent. Franchisee acknowledges that its Protected Area may overlap with protected areas of other franchisees, and in such case the Franchisor retains the right to unilaterally adjust the delivery and catering territory for Franchisee.

2.6 Franchisor's Reserved Rights. Except as otherwise expressly provided in this Agreement, Franchisor and all of its Affiliates (and its and their respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of its and their rights with respect to the Proprietary Marks and the System anywhere in the world, and the right to engage in any business whatsoever, including the right to:

A. operate, and grant to others the right to operate Franchised Businesses outside your Protected Area at such locations and on such terms and conditions as we deem appropriate;

B. operate, and grant to others the right to operate other businesses, including restaurants, under different trademarks and service marks than the Proprietary Marks;

C. develop, merchandise, offer, sell, and license others to sell products or services under the Proprietary Marks through other channels and methods of distribution including wholesale, retail stores, grocery stores, meal preparation and delivery services, online, directly to national accounts customers, print catalogues, direct marketing media and any other outlets, and Franchisor may promote and sell products bearing the Marks at special events, athletic contests, through temporary locations and mobile units; and

D. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not with Ginger Ale's® restaurants) located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions.

2.7 No Claims for Changes. With regard to any of the above transactions identified in Section 2.5, Franchisee and its Owners expressly and specifically waive any claims, demands or damages arising from or related to the loss of Franchisor's name, the Proprietary Marks (or any variation thereof), the System and/or the loss of being identified as a franchisee under this Agreement. If Franchisor assigns its rights in this Agreement, nothing will be deemed to require Franchisor to remain in the restaurant business or to offer or sell any products or services to Franchisee.

2.8 Relocation. Franchisee may relocate the Franchised Business only with Franchisor's prior written consent. Franchisor will grant its consent if Franchisee's lease expires or terminates through no fault of Franchisee, or if the Location is destroyed or materially damaged by fire, flood, or other natural catastrophe (an **"Innocent Loss or Casualty"**) and Franchisee is not in default under this Agreement or any other agreement between Franchisee and Franchisor. The new Location must be open for business at the new location within one hundred eighty (180) days of closing at the previous location. The selection of the new location, its construction, and opening is subject to the same provisions of this Agreement as the site selection, construction, and opening of Franchisee's original location. Franchisee is solely responsible for all relocation costs and expenses and shall pay Franchisor a fee equal to fifty percent (50%) of the then current initial franchise fee to reimburse Franchisor for its reasonable attorneys' fees and other relocation-related costs and expenses.

2.9 Franchisee's rights under this Agreement are dependent upon Franchisee's achievement of a minimum Adjusted Gross Sales volume, as defined in Article 1 of this Agreement (the "Minimum Performance Threshold"). The following provisions govern the measurement, notice, and cure procedures applicable to this requirement. **(A) Minimum Performance Threshold.** Beginning on the first day of the thirteenth (13th) calendar month following the date the Franchised Business first opens for business to the public (the "Performance Measurement Commencement Date"), Franchisee is required to achieve a minimum of Five Hundred Thousand Dollars ($500,000.00) in annualized Adjusted Gross Sales per calendar year. This Minimum Performance Threshold applies throughout the remaining term of this Agreement. **(B) Measurement Methodology.** Franchisor shall evaluate Franchisee's performance against

the Minimum Performance Threshold on a monthly basis using the monthly profit and loss statements and financial reports submitted by Franchisee pursuant to Article 10 of this Agreement. Franchisor shall calculate an annualized projection of Adjusted Gross Sales by multiplying Franchisee's reported monthly Adjusted Gross Sales by twelve (12). A single month of projected underperformance shall not, by itself, trigger a formal Notice of Default. **(C) Internal Written Advisement.** If Franchisee's annualized projection of Adjusted Gross Sales falls below the Minimum Performance Threshold in any single calendar month following the Performance Measurement Commencement Date, Franchisor shall issue a written internal advisement to Franchisee within fifteen (15) days of receiving that month's financial report. Such advisement shall identify the projected shortfall, provide guidance regarding sales performance improvement, and advise Franchisee that a second consecutive month of projected underperformance will result in the issuance of a formal Notice of Default. The issuance of an internal advisement under this Section shall not constitute a Notice of Default and shall not trigger any cure period under Article 14 of this Agreement. **(D) Formal Notice of Default.** If Franchisee's annualized projection of Adjusted Gross Sales falls below the Minimum Performance Threshold for two (2) consecutive calendar months following the Performance Measurement Commencement Date, Franchisor shall have the right to issue a formal written Notice of Default to Franchisee. Upon issuance of such Notice of Default, Franchisee shall have ninety (90) days (the "Cure Period") to demonstrate, through submitted monthly financial reports and such other documentation as Franchisor may reasonably require, that Franchisee's annualized projection of Adjusted Gross Sales has returned to or exceeded the Minimum Performance Threshold. During the Cure Period, Franchisee shall cooperate fully with Franchisor's field support personnel and shall implement any performance improvement plan or corrective action measures required by Franchisor in its reasonable discretion, which may include participation in additional training at Franchisee's expense pursuant to the training fee provisions of this Agreement. **(E) Right to Terminate or Sell Upon Failure to Cure.** If Franchisee does not achieve the Minimum Performance Threshold within the Cure Period, Franchisor has the right to terminate this Agreement pursuant to Article 14, or to allow Franchisee to continue to operate the Franchised Business under the terms of this Agreement while Franchisor sells Franchisee's franchise. If Franchisor sells Franchisee's franchise, Franchisor is entitled to a fee equal to ten percent (10%) of the sales price to compensate Franchisor for time and expenses incurred in selling the franchise. Franchisee or the buyer will be required to pay the applicable transfer fee and training fee to train the new franchisee. If Franchisor has not sold or terminated Franchisee's franchise within twelve (12) months of Franchisor giving Franchisee notice of Franchisee's second consecutive default under this Section, Franchisee may cure the default by demonstrating, through submitted monthly financial reports, that Franchisee is on pace to achieve the Minimum Performance Threshold by the end of that twelve (12) month period. Nothing in this Section shall be construed to limit Franchisor's rights under Article 14 with respect to any default occurring independently of the Minimum Performance Threshold. **(F) Good Faith Engagement.** Franchisor and Franchisee acknowledge that the Minimum Performance Threshold is intended to ensure the long-term viability and brand integrity of the Franchised Business and the Ginger Ale's system as a whole. Franchisor shall engage in good faith with Franchisee throughout the internal advisement and cure process before exercising any termination right arising solely from failure to meet the Minimum Performance Threshold.

Article 3. Term

3.1 Initial Term. Unless sooner terminated or modified as hereinafter provided, the term of this Agreement shall be 10 years from the Effective Date and this Agreement will expire without notice on such date.

3.2 Successor Agreement. Franchisee may be granted successor franchise rights for two (2) consecutive five-year terms if, at the end of each term, each of the following conditions has been satisfied:

A. Franchisee has notified Franchisor of its intent to renew the franchise at least twelve (12) months (but no more than twenty-four (24) months) before the then-current term expires;

B. Franchisee is not in default of any material provision of this Agreement or any successor franchise agreement (as applicable), and Franchisee has complied with the material terms and conditions of this Agreement or any successor franchise agreement (as applicable) throughout the term;

C. all amounts owed to Franchisor and its Affiliates and third party suppliers have been paid;

D. the Location has been renovated and refurbished so that it reflects Franchisor's then-current image, trade dress, equipment, and furnishings standards;

E. Franchisee the right to remain in possession of the Location premises, or has secured substitute premises that Franchisor has approved;

F. Franchisee executes Franchisor's then current form of franchise agreement for successor franchises;

G. Franchisee pays a successor agreement fee of $2,500; and

H. Franchisee and each person who has guaranteed Franchisee's obligations under this Agreement signs a general release in a form Franchisor prescribes.

3.3 Hold-Over. If Franchisee continue to operate the Franchised Business with Franchisor's express or implied consent following the expiration of the term of this Agreement, the continuation will be deemed to be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Franchised business. This Agreement will then be terminable by either party on 30 days' written notice to the other party, or such longer notice period as required by applicable law. For the avoidance of doubt, this provision does not apply in the case of your continued operation of the Franchised Business after the Agreement has been terminated.

Article 4. Fees and Royalties.

4.1 In consideration of the rights and license granted herein, Franchisee shall pay to Franchisor each of the following:

A. **Initial Fee.** Upon the execution and delivery of this Agreement by Franchisee, Franchisee shall pay an Initial Franchise Fee of $25,000. Franchisee acknowledges and agrees that such Initial Franchise Fee has been fully earned and is nonrefundable in consideration of expenses incurred, rights granted, services rendered, and other valuable consideration, the receipt and sufficiency of which is acknowledged by Franchisee. (The Illinois Attorney General has required the Franchisor, due the Franchisor's financial condition, to post a surety bond, the original of which has been filed with the Franchise Bureau.)

B. **Royalty Fee.** A continuing Royalty Fee of 5% of Franchisee's Adjusted Gross Sales during the term of this Agreement.

C. **Brand Development Fund Fee.** A Brand Development Fund Fee contribution to the Brand Development Fund of up to 3% of Franchisee's Adjusted Gross Sales (**"Brand Development Fund Fee"**). In lieu of charging Franchisee a Brand Development Fund Fee, and independent of whether a

Brand Development Fund has been established, Franchisor may, at its option, charge Franchisee a fee on a project basis for marketing and advertising materials and projects prepared or undertaken for use by the System. As of the Effective Date, the Brand Development Fund Fee is 1% of Franchisee's Adjusted Gross Sales.

D. **Technology Fund Fee.** A Technology Fund Fee of up to $50/week. As of the Effective Date, the Technology Fund Fee is $25/week.

E. **Other Fees.** Such other fees that are set forth in other sections of this Agreement or otherwise imposed. Such fees shall be due as set forth in Section 4.2 of this Agreement, unless different payment terms are expressly stated for such fees at the time they are imposed or thereafter.

4.2 General Compliance Fee. (A) **Assessment of Fee.** In addition to any other fees payable under this Agreement, Franchisor reserves the right to assess a General Compliance Fee in an amount between One Hundred Dollars ($100.00) and Five Hundred Dollars ($500.00) per instance, as determined by Franchisor in its reasonable discretion based on the nature, severity, and frequency of the non-compliance, for any failure by Franchisee to comply with operational standards, safety protocols, dress code requirements, reporting obligations, equipment standards, product authorization requirements, or other mandatory procedures as set forth in this Agreement, the Manual, or as communicated in writing by Franchisor. The General Compliance Fee is intended to address minor non-compliance issues and to offset the administrative and corrective action costs incurred by Franchisor. (B) **Examples of Minor Non-Compliance.** Without limiting Franchisor's discretion, the following are examples of violations that may be subject to the General Compliance Fee, including but not limited to: (1) delinquent or late submission of required financial reports, profit and loss statements, or other required reporting to Franchisor; (2) sale or offering of unapproved products or menu items not authorized in writing by Franchisor; (3) use or installation of unapproved equipment within the Franchised Business facility; (4) failure to comply with dress code or uniform standards as set forth in the Manual; (5) failure to follow approved operational procedures or safety protocols as communicated in writing by Franchisor; and (6) failure to maintain required signage or marketing materials in accordance with Franchisor standards. This list is illustrative and not exhaustive. Franchisor reserves the right in its sole discretion to determine whether a violation is minor in nature and subject to this fee rather than other remedies available under this Agreement. (C) **Collection.** General Compliance Fees shall be due and payable upon invoice. The timing, collection mechanism, and administrative procedures governing the General Compliance Fee, including automatic debit and ACH procedures, are set forth in the Manual, as amended from time to time, and are incorporated herein by reference. (D) **Notice and Dispute.** Franchisor shall provide Franchisee with written notice describing the date, nature, and basis of each assessed General Compliance Fee within forty-eight (48) hours of the observed instance of non-compliance. Franchisee may submit written questions or disputes regarding an assessed General Compliance Fee within three (3) business days of receiving such notice. Franchisor shall review any timely submitted dispute in good faith. (E) **Relationship to Other Remedies.** Assessment of a General Compliance Fee shall not constitute a waiver of any other right or remedy available to Franchisor under this Agreement, including without limitation the right to issue a Notice of Default under Article 14. Repeated or escalating non-compliance violations, even if subject to General Compliance Fees, may result in additional corrective measures including probationary status, mandatory retraining, or formal default proceedings as determined by Franchisor in its reasonable discretion.

4.3 Payment of Fees. Unless payments terms to the contrary are expressly stated in this Agreement or otherwise, all payments required by Article 4, and all other payments due to Franchisor on a continuing basis (**"Payments"**), shall be due to Franchisor by Wednesday after the end of the calendar week in which such Adjusted Gross Sales were received by Franchisee, provided that, Franchisor may, upon notice to Franchisee, collect such payments at a different frequency than weekly. If any payment due Franchisor under this Agreement is overdue, Franchisee shall pay to Franchisor immediately upon demand

the overdue amount together with a late charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. All Payments shall be made by electronic funds transfer (EFT), wire transfer, or such other payment method as Franchisor may indicate from time to time. In its sole discretion, Franchisor may collect Payments required by Article 4 by direct debit withdrawal by Franchisor from a designated bank account of Franchisee or by using such other payment technology as is or may become available during the Term. Franchisee will cooperate with Franchisor to set up payment through such methods and channels as may be determined by Franchisor from time to time. If payment is made by direct debit withdrawal, Franchisee must have adequate funds in its account to pay the Payments due. If there are insufficient funds to make Payments for which checks have been submitted to Franchisor, or for EFT payments (including direct debit), Franchisor will charge Franchisee a fee of $100 per such occurrence to compensate for the additional administrative work required by Franchisor. Franchisee will comply with the procedures specified in the Manual or otherwise communicated by Franchisor for any Payment and will perform the acts and sign the documents, including authorization forms that Franchisor, its bank and Franchisee's bank may require to accomplish such Payments, including authorizations for Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, Franchisee will pay all costs associated with utilizing the payment methods designated by Franchisor. Franchisee acknowledges that nothing contained in this Article 4 shall constitute an agreement by Franchisor to accept such payments after the same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Location. Franchisee acknowledges that Franchisee's failure to pay all such amounts when due shall constitute grounds for termination of this Agreement, as provided in Article 14 of this Agreement, notwithstanding the provisions of this Article. Such late charges shall be in addition to any other remedies Franchisor may have.

Article 5. Site Selection, Location Construction and Opening.

5.1 Site Application. If Franchisee has not yet submitted a site application for an Approved Location at the time this Agreement is executed, Franchisee must submit such application and such information as Franchisor may require within ninety (90) days of the date of this Agreement for review by Franchisor. Franchisee may not commence construction of the Location until Franchisor has unconditionally approved the proposed site in writing. Franchisor has twenty (20) days after all required information is received from Franchisee to approve or disapprove any proposed site. Franchisor may approve or disapprove any site in its sole discretion. Franchisee acknowledges that neither Franchisor's review of the proposed site for the Location nor any assistance that may be provided by Franchisor in the selection or development of the site constitutes a representation, warranty or guaranty by Franchisor regarding the potential financial success of the Location operated at that site, and Franchisee assumes all business and economic risks associated with the site.

5.2 Pre-Construction Requirements. Prior to commencing construction of the Location under this Agreement, Franchisee shall have completed or satisfied all of the following:

A. If Franchisee is obtaining the site for the Location by lease, Franchisee shall submit to Franchisor with a request for approval, prior to execution by Franchisee, a copy of the lease for the proposed site, which must either append **Exhibit H** to this Agreement, or must not contain any provision that is inconsistent with or interferes with the performance of any provision of this Agreement and which lease must include provisions (i) authorizing Franchisor to enter the premises and make any modifications necessary to protect the Proprietary Marks, (ii) granting to Franchisor the right (but not the duty) to assume the lease if Franchisee is in default under its terms and provisions and/or if this Agreement expires or is terminated, (iii) requiring concurrent notice from lessor to Franchisor of any default or termination, and (iv) providing for a term of at least 10 years, which lease, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor. Under no circumstances shall

Franchisor have any obligation or liability under such lease. Any review of the lease by Franchisor is solely for the purpose of determining its compliance with this Agreement and is no promise or warranty as to the appropriateness of the lease or any of its terms.

B. Inform Franchisor by written notice, not less than 30 days prior to commencing construction of the Location, of the name of the architect (if required by local building code) and the general contractor to be used for the construction of the Location, and such other information about the architect and general contractor as Franchisor may deem necessary.

C. Submit to Franchisor with a request for approval, prior to preparation of the schematic design development documents for the building, preliminary site plans showing: (i) the dimensions of the site of the Approved Location; (ii) placement of the Location on the site; (iii) proposed drives, parking, and service areas; (v) proposed location of exterior signage including size, type, height, etc.; and (iv) such other information as may be reasonably required by Franchisor, which preliminary site plans, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

D. Submit to Franchisor with a request for approval, prior to the preparation of the final building plans and specifications, the schematic design development documents for the building prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances, and Franchisor standards, which schematic design development documents, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

E. Submit to Franchisor with a request for approval, after the schematic design development documents for the building has been approved by Franchisor, final building plans and specifications prepared by a registered architect or engineer in compliance with all applicable laws, regulations, ordinances and Franchisor standards which plans and specifications, when approved by Franchisor, shall not thereafter be materially modified without the prior written consent of Franchisor.

F. Provide to Franchisor satisfactory evidence that all permits, licenses and certifications required for the lawful construction and operation of the proposed Location, including, without limitation, all applicable building permits, zoning, access, sign and fire requirements, have been obtained.

G. Provide to Franchisor insurance certificates satisfying the applicable requirements set forth in Article 12 of this Agreement.

H. Such other information as Franchisor may reasonably request.

5.3 Commencement of Construction. Franchisee shall commence construction of the Location within sixty (60) days of the date Franchisor approves your proposed site. Once commenced, construction work shall continue uninterrupted (except for interruption by reason of events constituting force majeure) until it is completed. Except for the occurrence of any events constituting force majeure, construction work shall be completed and the Location shall be furnished, equipped, and otherwise be made ready to open in accordance with this Agreement not later than the date specified in Article 5.5. Franchisor shall have the sole right to determine whether the construction work has been completed in accordance with this Agreement, the approved plans, and the Manual.

5.4 Construction. Before the Commencement of Construction Franchisee shall submit to Franchisor, pursuant to Article 8.1.D., a request for approval of any alternate FF&E products, if any, including standards and specifications for FF&E, provided that no such request shall materially modify

the System standards for the Location. As used in this Section the term "materially modify" means any modification that would (a) change the size or dimensions of any public areas, or amenities of the Location, (b) affect the appearance or design of any portion of the Location or the quality of the materials used therein, or (c) constitute a departure from the concept, standards or approved products or services of the System. Unless alternate FF&E products are approved by Franchisor, Franchisee must use only such FF&E products that are specified by Franchisor in the Manual and other documents containing FF&E specifications current at the Commencement of Construction. Notwithstanding the foregoing, upon request, Franchisor may, in its discretion, alter FF&E requirements for the Location due to local market conditions, custom or practice. Franchisee agrees that Franchisor and its agents shall have the right (without, however, any duty or obligation to do so) to visit and inspect the construction of the Location at all reasonable times.

5.5 Construction Completion. Franchisee shall diligently and continuously prosecute the construction, furnishing, and equipping of the Location (including its acquisition and installation of all FF&E, signs, supplies, and other items necessary for completion and opening of the Location) in accordance with the plans previously approved by Franchisor and in accordance with the Manual, but in any event the construction, furnishing, and equipping of the Location shall be completed within 270 days of the date of this Agreement. Franchisee acknowledges and understands that time is of the essence in the construction and opening of the Location, and except for the occurrence of any events constituting force majeure, the construction shall be completed and the Location shall be furnished, equipped, and otherwise be made ready to open for business, and all governmental licenses and permits necessary to operate the Location under the System shall have been obtained by Franchisee, at the end of such 270 day period (**"Construction Completion"**). In Franchisor's discretion, Franchisor may allow Franchisee up to 2 90-day extensions of the construction completion date for a fee of $5,000 per extension at franchisors discretion. The fee for each extension shall be payable at the time Franchisee applies for the extension. If the extension is not granted, the fee will be refunded. Any further extensions shall be granted only in Franchisor's sole discretion and upon payment of such additional extension fees as Franchisor deems appropriate in its sole discretion.

5.6 Review for System Compliance Only. Franchisor's exercise of its rights to approve the plans and specifications and to inspect construction of the Location shall be solely for the purpose of assuring compliance with System standards and with the terms and conditions of this Agreement, and Franchisor shall have no liability or obligation to Franchisee or any other person with respect to construction of the Location.

5.7 Opening of Franchised Business. The Location shall be opened for business immediately upon satisfaction of all of the following requirements:

A. All FF&E required for the opening of the Location in accordance with this Agreement and the standards of Franchisor shall have been installed or completed.

B. Franchisee's Operating Principal and general manager (if any) for the Location shall each have completed to Franchisor's satisfaction a training program approved or conducted by Franchisor, and Franchisee shall have employed qualified personnel sufficient to operate the Location.

C. Franchisee shall have paid all sums due Franchisor and its affiliated companies.

D. Franchisee is not in default under this Agreement, or any existing Franchise Agreement or other agreement with Franchisor or any of its Affiliated companies.

E. Franchisor shall be satisfied as to Franchisee's compliance with requirements necessary for opening the Location by such on-site inspection and investigation as Franchisor deems appropriate. If the Franchisee fails to pass its initial pre-opening inspection, Franchisor reserves the right

to charge and collect a re-inspection fee and expenses for each additional inspection required to approve the Location for opening. The re-inspection fee and related expenses shall be due and payable within thirty (30) days of receipt of an invoice therefor, or Franchisor may, in its discretion, collect payment thereof by direct debit withdrawal by Franchisor from a bank account designated by Franchisee. Nothing under this Agreement shall in any manner relieve Franchisee of the obligation of complying with the requirements of the approved plans or the terms of this Agreement.

Franchisee may not open the Location until the above requirements have been satisfied to Franchisor's satisfaction. The System will be applied to all System Locations, although Franchisor in its business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

5.8 Expenses for Development and Construction. Franchisee acknowledges and understands that Franchisee shall bear the entire cost of the development and construction of the Location, including, without limitation, all costs applicable to design, engineering, and other professional services, contractors, financing, licenses, permits, equipment, furnishings, and supplies.

Article 6. Duties of Franchisor.

6.1 In addition to the other obligations and duties set forth in this Agreement, Franchisor agrees as follows:

A. **Providing Site Selection Criteria.** Franchisor shall provide general site selection criteria and guidance in the selection of an acceptable site and review of the lease for the Location. Franchisee acknowledges and agrees that Franchisor providing its site selection criteria, lease review, and guidance will not create any reliance or expectation damages or liability for Franchisor, and such activities will not create any expectation or representation to Franchisee that any proposed site will be accepted by Franchisor.

B. **Providing Prototype Plans.** Franchisor shall provide to Franchisee a set of then-current prototype plans and specifications (not for construction) as determined by Franchisor for a typical System Location. These plans must be adapted to Franchisee's site by the appropriate licensed architects.

C. **Consultation.** Upon reasonable request, Franchisor shall consult with and advise Franchisee at Franchisor's home office concerning the construction and operation of the Location.

D. **Access to Manual.** Franchisor shall provide Franchisee access to the Manual in a format determined by Franchisor, such as via the intranet, loan one hard copy of the Manual, or in any such other way as Franchisor determines to be most appropriate, for the term of the Agreement setting forth standards of operation for the System and standards of quality, cleanliness, and service for the Location. Franchisor shall have the right to add to and otherwise modify the Manual to reflect changes in the business, authorized products or services (or specifications therefor), FF&E requirements, quality standards, and operating procedures of the Location as determined by Franchisor. Such additions or modifications may be made through various communications by Franchisor, including policy statements, memoranda, bulletins, directives, instructions, intranet, electronic communications, or other material prepared by or on behalf of Franchisor. The Manual and any additions or modifications may be provided in printed, machine readable, electronic, or any other form chosen by Franchisor.

E. **Training.** Franchisor shall make available to Franchisee, Operating Principal, and Franchisee's employees such required and optional training courses, programs, conferences, seminars, and materials, as Franchisor deems appropriate. All training shall be conducted at such physical or virtual

locations and at such times as Franchisor may designate and shall be subject to the terms and conditions set forth in this Agreement.

F. **Inspections.** Franchisor shall endeavor to maintain high standards of quality, cleanliness, appearance, and service for the System, and to that end shall conduct inspections of the System Locations, evaluations of the services rendered therein, and interviews of employees, agents, and customers of System Locations, all as Franchisor deems advisable and appropriate.

G. **Mystery Shoppers.** Franchisor has the right to have "secret shoppers" or "mystery shoppers" inspect the Location from time to time in order to help determine compliance with the terms of this Agreement, and charge Franchisee a reasonable fee intended to off-set Franchisor's expenses.

H. **Location Directory.** Franchisor will make available in electronic and/or printed format to all System Locations a Ginger Ale's® Location Directory subject to the terms and conditions of Article 8 of this Agreement.

6.2 Obligations to Franchisee Only. All of the obligations of Franchisor under this Agreement are to Franchisee only, and no other party is entitled to rely on, enforce, or obtain relief for breach of such obligations either directly or by subrogation.

6.3 Franchisor's Designees. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by a designee, employee, or agent of Franchisor, as Franchisor may direct. Franchisor has the right to delegate the performance of any portion or all of its obligations under this Agreement to third parties, and exercise any of its rights under this Agreement through third parties, whether those third-parties are our agents or independent contractors with whom we have contracted to perform these obligations. If Franchisor does so, such third parties will be obligated to perform all functions for Franchisee in compliance with this Agreement and/or a separate signed agreement between Franchisee and such third-party as approved by Franchisor.

Article 7. General Duties of Franchisee.

In addition to the other obligations and duties set forth in this Agreement, Franchisee agrees as follows:

7.1 Construction. Franchisee covenants and agrees to commence, diligently pursue, and complete construction of the Location and open for business in accordance with Article 5 of this Agreement.

7.2 Initial Training. Franchisee, or if Franchisee is an entity, the Operating Principal, shall complete the new franchisee training prior to Opening. Franchisee shall employ or retain qualified management personnel as prescribed in the Manual. All personnel employed or retained by Franchisee in the position of general manager (if any) shall attend and successfully complete, to Franchisor's satisfaction, Franchisor's training program. The Operating Principal, or the initial general manager (if any) shall complete general manager certification training prior to Opening. All other personnel, including any subsequent general manager, shall sign up for training within fourteen (14) days of employment and complete their general manager certification training within thirty (30) days of employment. The 30-day period may be extended if space in the training program is not available to Franchisee's personnel during the specified periods. Notwithstanding Franchisor's assistance in training Franchisee's employees, Franchisee is exclusively responsible for the terms of employment, compensation, scheduling, benefits, disciplining and all other personnel decisions respecting Location employees without any influence or advice from Franchisor. Additionally, all persons working in the Franchised Business must pass the state-

required food handling certifications and other certifications required for their under applicable law for the tasks being performed by the person.

7.3 Franchisee Meetings. Franchisee, or if Franchisee is an entity, the Operating Principal or one or more of Franchisee's principal owners, shall attend Franchisor's annual franchisee conference or franchisee meetings, and pay the non-refundable conference registration fee as the same may be designated by Franchisor.

7.4 Opening Assistance. Franchisor will send one representative to provide on-site assistance at the Location for a period of 2 to 3 days around the time Franchisee opens the Franchised Business for business.

7.5 Ongoing Training and Assistance. Franchisor may periodically make available other required or optional training courses to Franchisee's personnel and Franchisee's personnel, other than those mentioned, as well as other programs, conferences, seminars, and materials, and Franchisee shall ensure that such personnel, as Franchisor may direct, satisfactorily complete any required training within the time specified. Franchisor may also offer Franchisee optional additional support and assistance in the operation of the Franchised Business. Franchisee, the Operating Principal, and Franchisee's general manager may each be required to participate in up to two (2) days of required training in each calendar year. All training shall be provided at such locations as Franchisor may designate, including virtual locations, and Franchisee shall be responsible for Franchisee's and Franchisee's employees' travel expenses and room, board, and wages during the training. Franchisee will be charged reasonable tuition for training of Franchisee's and Franchisee's personnel and such tuition shall be payable per the terms of the invoice therefor. Franchisee will also be charged a reasonable fee for any additional support and assistance requested by Franchisee. As of the Effective Date, Franchisor charges $350 per day and trainer for ongoing training and additional support and assistance, plus travel and accommodation expenses for such trainer, provided that the Franchisor reserves the right to adjust such fees throughout the term of this Agreement. Franchisor reserves the right to require, as a condition of providing training, that personnel employed or retained by Franchisee execute confidentiality agreements prepared by Franchisor. Franchisor reserves the right to limit the availability of any optional training programs.

7.6 Adherence to System Requirements. Franchisee expressly acknowledges that adherence to each and every provision of the System is reasonable, necessary, and essential to maintain the uniform image and favorable reputation of each Location and the System and the success of Franchisor's franchise program. Accordingly, Franchisee expressly agrees to comply with each and every requirement of the System during the term hereof, as the same may be modified or supplemented by Franchisor in its sole discretion. Such modifications and supplementations may relate to, without limitation, changes in the business, authorized products and services, ingredient requirements, FF&E requirements, quality standards, operating procedures, compliance with any requirements computer systems or technology programs, and to pay any fees or charges associated with any such System modifications or supplementations and any other changes reflected in the Manual.

7.7 Quality of Service. Franchisee shall provide efficient, courteous, and high-quality service to the public and shall operate the Location pursuant to the mandatory terms and provisions outlined in the Manual, except as otherwise permitted by Franchisor in writing. Franchisee shall cause the Location to honor all credit cards specified by Franchisor and enter into such credit card arrangements with the issuers of such cards as may be necessary to do so. Franchisee will not sell any product which is adulterated, contaminated, spoiled, unsafe or otherwise unfit for human consumption. Franchise must keep the Location clean and provide prompt and courteous service to customers. Franchisee agrees to, and will take all steps as are necessary to, ensure that all its employees treat each customer fairly and provide services in an honest, ethical and non-discriminatory manner.

7.8 Staffing. Franchisee will maintain a competent, conscientious and trained staff. Franchisee will be solely responsible for all employment decisions and functions of the Franchised Business, including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision and discipline of employees. All personnel employed by Franchisee shall maintain such standards of sanitation and cleanliness as set forth in the Manual or specified in writing by Franchisor from time to time. None of Franchisee's employees will be considered to be Franchisor's employees and Franchisee will never contend otherwise. Franchisee expressly agrees, and will never contend otherwise, that Franchisor does not have the direct or indirect power to hire, fire or control any of Franchisee's employees. Neither Franchisee nor any of its employees whose compensation Franchisee pays may in anyway, directly or indirectly, expressly or by implication, be construed to be Franchisor's employees 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. Franchisee expressly agrees, and will never contend otherwise, that Franchisor's authority under this Agreement does not directly or indirectly vest in us the power to hire, fire or control any of Franchisee's employees.

7.9 Authorized Menu. Franchisee must offer and sell all menu items that Franchisor requires, and only those menu items that Franchisor has approved. Franchisor may add, eliminate and change authorized menu items, in its sole discretion, and Franchisee must comply with all directives (which may require purchasing and installing additional equipment). Franchisee shall prepare, package, and serve all menu items in accordance with Franchisor's recipes, standards and procedures for preparation, presentation and service as communicated to Franchisee from time to time via the Manual or other written directives. Such standards and procedures may include, without limitation, following recipes (including use of prescribed ingredients and prescribed measure of ingredients), use of containers and paper goods bearing the Proprietary Marks, packaging procedures, product holding times and other standards for displaying for sale menu items and other merchandise. If Franchisee offers any menu items that are not approved by Franchisor for Franchisee's Location, Franchisee will pay Franchisor a fee of $250/day that such unauthorized menu items are offered for sale at the Location. Franchisee shall participate in all market research programs that Franchisor requires, which include test-marketing new products, purchasing a reasonable quantity of new products for test-marketing, promoting the sale of the new products. Franchisee shall provide Franchisor with timely reports and test results for all such programs.

7.10 Gift Cards and Loyalty Programs. Franchisor may require that Franchisee, if permitted by applicable law, participate in a gift card or other customer loyalty program in accordance with the provisions either set forth in the Manual or otherwise disclosed to Franchisee. In order to participate, Franchisee may be required to purchase additional equipment and pay any fees applicable to the use of that equipment. If Franchisor establishes a gift card or loyalty program, it has the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and Franchisor reserves the right to retain the amount of any unredeemed gift cards. Franchisee shall not engage or otherwise contract with any company or third party agent for a loyalty type program without the written consent of Franchisor.

7.11 Use of Location. Franchisee shall use the Location premises solely for the operation of the Franchised Business and shall not use or allow the use of the premises for any other purpose or activity (including, without limitation, the promotion of any competing business) at any time without the prior written consent of Franchisor, which may be granted or withheld in Franchisor's sole discretion. Franchisee shall not sacrifice Adjusted Gross Salesto further any other business activity.

7.12 Third-Party Delivery Services. Franchisee must utilize the third-party delivery services (*e.g.* Uber Eats, Grubhub, DoorDash) as required by Franchisor and may not contract with any third-party or other delivery service providers without Franchisor's prior written authorization.

7.13 Location Maintenance. The Location and everything located on the Location premises shall be maintained by Franchisee in a clean, safe, orderly, and first-class condition in accordance with the standards specified in the Manual, and consistent with the image of a clean, sanitary, attractive, and efficiently operated restaurant. The Location shall be constructed, maintained, and operated in compliance with all applicable fire, safety, health, and sanitation laws, ordinances, and regulations, and Franchisee shall maintain the highest health standards and ratings applicable to the Location and otherwise maintain high moral and ethical standards at the Location.

7.14 Upkeep and Maintenance. Franchisee shall perform such maintenance of the Location as is required by Franchisor to maintain the condition, appearance, and efficient operation of the Location, including, without limitation, (a) continuous and thorough cleaning and sanitation of the interior and exterior of the Location, (b) interior and exterior repair of the Location, (c) maintenance of equipment at peak performance, (d) replacement of worn out or obsolete improvements, fixtures, furnishings, equipment, computer systems, software, FF&E, computer systems, software, and signs, and (e) periodic painting and decorating. At Franchisor's request, Franchisee shall upgrade the Location within the time specified by Franchisor at Franchisee's expense to conform to the building decor appearance and presentation of Proprietary Marks and trade dress consistent with Franchisor's then-current public image, including, without limitation, such structural changes, remodeling, and redecoration and such modifications to existing improvements as may be deemed necessary by Franchisor, as long as those same upgrading requirements apply to a majority of System Locations operated by franchisees or by Franchisor or its Affiliates, or are necessary to bring the Location into compliance with requirements already adopted or being adopted by a majority of System Locations. Except as described above, Franchisee shall make no additions, alterations, or replacements to the Location or anything located on the Location premises without the prior written consent of Franchisor.

7.15 Compliance with Law. Franchisee shall, at Franchisee's expense, comply with all federal, state, and local laws, rules, ordinances, and regulations, and shall timely obtain, and keep in force as required throughout the term of this Agreement, any and all permits, certificates, licenses, and approvals necessary for the full and proper conduct of the Franchised Business.

7.16 Notification of Legal Action. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any inquiry, subpoena, order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, arising out of, concerning, or which may affect the operation or financial condition of the Franchised Business, including, without limitation, any criminal action or proceeding brought by Franchisee against employees, customers, or other persons.

7.17 Payment of Taxes. Franchisee shall pay when due all taxes levied or assessed in connection with the possession, ownership, or operation of the Location and all taxes payable on royalties and other payments made to Franchisor or to any of the affiliated companies (excluding income taxes payable by Franchisor or any of its affiliated companies). In the event of any bona fide dispute respecting any tax assessed against Franchisee, the Location, any personal property located therein, or any payments due to Franchisor or any of its Affiliates, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority; provided, however, that Franchisee shall act with all due diligence and shall in no event permit a tax sale or seizure against the Location or any equipment, goods, or property located therein, or any impoundment of payments due to Franchisor. Franchisee must pay to Franchisor the amount of any state or local sales, use, gross receipts, or similar tax that Franchisor may be required to pay on payments which Franchisee make to Franchisor under this Agreement, regardless of whether the state or local tax is imposed directly on Franchisor, is required to be withheld by Franchisee from amounts due to Franchisor under this Agreement, or is otherwise required to be collected by Franchisee from Franchisor. Franchisee's obligations under this Section shall not be reduced or offset by

any type of claim, credit or deduction of any kind. This provision does not apply to income taxes or comparable taxes measured by income to which Franchisor may be subject.

7.18 Timely Payments. Franchisee recognizes that Franchisee's failure or repeated delays in making prompt payment in accordance with the terms of any agreements, leases, invoices, or statements for purchase or lease of FF&E, inventories, supplies, travel agent services, or other goods and services will be detrimental to the reputation of Franchisee, Franchisor, and other System Franchisees. Franchisee shall timely pay when due all amounts owed by Franchisee in connection with the operation of the Location. In its sole discretion, Franchisor may collect all payments and amounts due or payable under this Article 7 by direct debit withdrawal from a bank account designated by Franchisee.

7.19 Access to Data. Franchisor will be given direct, administrative access to the management systems software used by Franchisee for the purpose of determining compliance with this Agreement and to allow for audits and inspections of Franchisee's financial statements, reports and all other data pertaining to the Location, whether maintained by Franchisee or by third parties.

7.20 Authority of Franchisee Representatives. If Franchisee is at any time a corporation, limited liability company, partnership or other business entity, Franchisee agrees and represents that:

A. Franchisee has the authority to execute and deliver this Agreement and to perform its obligations thereunder and is duly organized or formed and validly existing in good standing under the laws of the state of its formation or organization.

B. Franchisee's organizational documents or partnership agreement will at all times state that the issuance and transfer of the ownership interests of Franchisee are restricted by the terms and conditions of this Agreement, and all certificates and other documents representing an ownership interest in Franchisee will bear a legend referring to the restrictions of this Agreement in form and language satisfactory to Franchisor.

C. **Exhibit B** to this Agreement will at all times completely and accurately describe all of the owners of Franchisee and their beneficial ownership interests in Franchisee.

D. Franchisee and its owners will sign and deliver to Franchisor such revised Exhibit B as may be necessary to reflect any permitted changes in the information contained therein within five (5) days following the occurrence thereof and to furnish such other information about Franchisee's organization or formation as Franchisor may request.

E. Franchisee shall furnish Franchisor with its articles or certificate of incorporation, bylaws, and partnership or limited liability documentation or similar organization documents, and any other documents Franchisor may reasonably request, and any amendments thereto or restatements thereof.

7.21 Condemnation of Location. If the Location (or any of the premises on which the Location is located) is condemned or damaged by casualty, Franchisee agrees as follows:

A. Franchisee shall, within ten (10) days of receipt, provide Franchisor with a copy of any notice of any proposed taking of the Location or surrounding premises by eminent domain or condemnation. Such notice shall be sent by Franchisee to Franchisor by overnight courier service. If the Location is condemned or so taken or such a substantial portion of the Location is condemned or so taken as to render impractical the continued operation of the Location in accordance with System standards, then in such event, (i) this Agreement shall terminate upon notice by Franchisor to Franchisee, and (ii) notwithstanding subsection (i), Franchisor shall be entitled to receive the payments due under Article 4 for

as long as the Location remains open for business or for a period of 1 year from the date Franchisee notifies Franchisor of the condemnation, whichever is longer. If the Location ceases business operations prior to 1 year from the date Franchisor receives notice of the condemnation, Franchisor will be entitled to receive a payment from Franchisee for the balance of the one-year period based on the average monthly fees from the trailing twelve (12) months. If a non-substantial condemnation shall occur, then in such event, Franchisee shall promptly make whatever repairs and restoration may be necessary to make the Location conform substantially to its former character and appearance according to plans and specifications approved by Franchisor, and the resumption of normal operation of the Location shall not be unreasonably delayed by Franchisee.

B. If the Location is damaged or destroyed by fire or other casualty, Franchisee shall repair the damage without delay. If the casualty requires closing the Location, Franchisee shall (i) immediately notify Franchisor, (ii) commence reconstruction and repair as soon as practicable, but in any event within one hundred and eighty (180) days after the closing of the Location, (iii) repair or rebuild the Location in accordance with the then-current System standards and specifications, and (iv) reopen the Location for continuous operations under the System as soon as practicable, but in any event within eighteen (18) months after closing the Location, provided that the Location may reopen only after Franchisor's express written approval of the same for opening. Franchisee shall give Franchisor at least ninety (90) days advance written notice of the date of such reopening.

C. The closing of the Location due to condemnation or casualty shall not extend the term of this Agreement.

7.22 Use of Customer Data. Franchisee acknowledges and agrees that, in addition to the rights granted Franchisor under Article 10.6 hereof, Franchisor may use the names of customers of the Franchised Business for any purpose, and agrees that Franchisor may have access to Franchisee's sales and customer data base for that purpose. Franchisees shall not use or cause to be used any customer data without the prior written consent from Franchisor.

7.23 Website and Online Presence. Franchisor has established internet Websites that provide information about the System. Franchisor will have sole discretion and control over the Website and any other Online Presence (including timing, design, contents and continuation). Franchisor may use part of the Brand Development Fund Fees collected under Article 4.1.C to pay or reimburse the costs associated with the development, maintenance and update of their Online Presence and Websites. At Franchisee's expense, Franchisor will include a link to the Location specific pages from its Websites. Franchisor shall have the only Ginger Ale's® Website. Franchisee may not have any individual website other than those accessed and linked through Franchisor's primary Website. Franchisor may require Franchisee to prepare all or a portion of such individual pages, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's prior written approval prior to posting. Except for this interior page, Franchisee may not maintain any Online Presence or other website in connection with Franchisee's ownership or operation of the Location, except as is expressly permitted or required by Franchisor in prior writing. If the Franchisee is permitted or required to have an individual Online Presence, Franchisee must provide Franchisor with administrator-level access credentials, usernames, passwords, tokens and all other information and items required for complete access to, and control over, any Online Presence or social networking activities. If Franchisee fails to comply with the requirements set for Online Presence, Franchisor, or its designees may use the access credentials to access Franchisee's accounts and resources to correct them to comply with Franchisor's requirements, without being guilty of trespass, conversion, infringement, or any similar tort. Franchisee will pay Franchisor, upon demand, all charges Franchisor incurs by taking such corrective action.

7.24 Inappropriate Online Presence Content. Franchisor reserves the right to require Franchisee to remove any content in its individual Online Presence, including videos, advertising or other material or content posted that Franchisor, in its sole discretion, deems inappropriate. Franchisor reserves the right to develop additional profiles or accounts in its Online Presence on websites designated for social networking, social media sites, or on websites otherwise commonly used by restaurants, or by the franchise industry in general. Franchisor may, in its sole discretion, require Franchisee to participate in its Online Presence in Franchisee's individual capacity by preparing and maintaining all or a portion of a profile or account for the Franchisee, at Franchisee's expense.

7.25 Email Address. Franchisee must at all times use and maintain the email address provided by Franchisor or approved by Franchisor for use in relation to the Franchise Business, frequently checked by Franchisee to facilitate Franchisor communications, and that Franchisee must use as the sole email for all Franchise Business-related communications and accounts. If Franchisor provides Franchisee with an email account/address, Franchisor has the right to access Franchisee's email account at any time and without notice to Franchisee, and Franchisee understands and acknowledges that Franchisee has no expectation of privacy in the assigned email accounts. If a Franchisee is allowed to maintain Franchisee's own Social Media accounts, all such marketing or Social Media accounts must be attached only to the email address Franchisor provides to Franchisee or that is approved by Franchisor.

7.26 Intranet. Franchisor is developing an Intranet network through which confidential brand standards and other materials may be posted and where Franchisor and its Franchisees can communicate by e-mail, instant messaging, or similar electronic means. Franchisee agrees to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that Franchisor includes in the Manual (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

7.27 Association with Causes or Co-Branding Franchisee shall not, without first receiving prior Franchisor written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause or position, or (ii) act in support of or against any such organization, cause or position. Franchisee shall not "co-brand" or use the Marks or Franchisee's Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

7.28 Additional Administrative Services. If Franchisee requests, Franchisor or its Affiliates may provide additional administrative services to Franchisee, including, but not limited to: assistance with closings of financing transactions or other transactions relating to the Location, non-disturbance agreements, and other instruments, documents and agreements with Franchisee's lenders or prospective lenders, lender's counsel, Franchisee's counsel, any other Franchisee representative, or third party; conducting research related to the Location and its operation; preparation of documents, instruments or agreements; and other project-based tasks. If any of these administrative services are provided, Franchisee agrees to pay to Franchisor a reasonable fee, as determined by Franchisor, for such services and to reimburse Franchisor and its Affiliates for any costs (including attorney's fees) incurred in connection with the provision of such services.

7.29 Reimbursements. Franchisee shall reimburse Franchisor for all costs and expenses (including attorneys' fees), incurred by Franchisor in connection with any legal action (including actions for injunctive relief, arbitration and mediation) in which Franchisee, its Affiliates, or their respective owners, directors, officers or managers is a named party, including but not limited to, reimbursement for

costs and expenses incurred in connection with Franchisor's counsel entering an appearance, responding to discovery requests in such matters, and preparation by Franchisor and its counsel therefor.

7.30 Co-branding. Franchisor may determine from time to time to incorporate in the System programs, products or services which Franchisor either develops or otherwise obtains rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Franchised Business, along with other businesses, will be required to offer and sell. This activity, referred to as "co-branding", may involve changes to the Proprietary Marks and may require you to make modifications to fixtures, equipment, signs, and trade dress at the Location. Franchisee agrees to promptly implement such programs at the Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so.

7.31 Privacy and Data Protection. Franchisee must: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of information that can be used (alone or when used in combination with other information Franchisee controls) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual (**"Personal Information"**) in any way, including, but not limited to, national data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules (**"Privacy Laws"**); (ii) comply with all standards, specifications, requirements, criteria, and policies that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; (iv) do and execute, or arrange to be done and executed, each act, document and thing Franchisor deems necessary in our business judgment to keep Franchisee in compliance with the Privacy Laws; and (v) immediately report to us the theft or loss of Personal Information (other than the Personal Information of Franchisee's own officers, directors, owners, employees or service providers). Franchisee must also comply with payment card industry ("PCI") standards, norms, requirements and protocols, including PCD Data Security Standards.

Article 8. Quality Control and Supervision.

8.1 System Conformity. Franchisee agrees that substantial uniformity of quality at all System Locations is necessary and desirable for purposes of establishing and protecting the shared identity, reputation, and goodwill associated with the System and the Proprietary Marks. In order to better accomplish these objectives, Franchisee agrees that:

A. The Franchised Business shall be operated in strict conformity with such mandatory standards, specifications, methods, and techniques as Franchisor may prescribe in the Manual (as opposed to best practices and suggestions), and Franchisee shall refrain from deviating therefrom and from otherwise operating in any manner which adversely reflects on the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's rights therein. Franchisee is responsible for the day-to-day operation of the Franchised Business. While Franchisor intends to impose the System, and any changes and modifications thereto generally uniformly among all System Locations, complete and detailed uniformity under many varying conditions may not be possible or practical, and Franchisor specifically reserve the right and privilege, in its sole discretion and as it may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee or region based upon the peculiarities of a particular territory, density of population, business potential, business practice, or other condition important to the successful operation of a particular Ginger Ale's® Restaurant. Franchisor may grant variations from standard specifications and practices as Franchisor determines in its discretion, and Franchisor will have no obligation to grant Franchisee or any other franchisee like or similar variations and Franchisor's failure to require a change from any particular franchisee will not affect your obligations under this paragraph.

B. Franchisee shall, at Franchisee's expense, purchase or lease and install at the Location all FF&E, software systems, including point of sale systems, and other systems and technology programs specified by Franchisor. Without regard to the actual capabilities of any property management system or other computer hardware or software that Franchisee installs and that Franchisor has access to directly or indirectly, Franchisor does not have the right to use such technology or tools to direct or assert control over Franchisee's employees' working conditions, except to the extent the control relates to Franchisor's legitimate interest in protecting the quality of the Ginger Ale's® System (brand) or the products or services offered at the Location. Franchisee shall refrain from installing at the Location, or permitting to be installed, without Franchisor's prior written consent, any FF&E, electronic or video games, or any other items or services not previously approved by Franchisor. The size, form, color scheme, content (except for prices or charges which are subject to Article 8.8 below), and location of all signs, advertisements and graphic materials displayed at the Location shall be as prescribed in the Manual or otherwise approved in writing by Franchisor. Notwithstanding the foregoing, Franchisor does not have the right to direct or assert control over Franchisee's employees' working conditions, except to the extent the control relates to Franchisor's legitimate interest in protecting the quality of the Ginger Ale's® System (brand) or the products or services offered by the Franchised Business.

C. Franchisee is required to purchase products, services, supplies, FF&E items, and materials required for the construction and operation of the Franchised Business, as specified in the Manual, from manufacturers, suppliers or distributors designated by Franchisor, or from other suppliers Franchisor approves who meet Franchisor's specifications or subject to Franchisor's specifications. In some cases, Franchisor or Franchisor's affiliates may be the only approved supplier. Specification of a supplier may be conditioned on various requirements, including, but not limited to, those relating to quality and consistency of products and services, frequency of delivery, standards of services, prompt attention to complaints, payments, contributions, or other consideration paid to Franchisor, Franchisor's Affiliates or the Brand Development Fund, and may be temporary. Franchisor may, from time to time withhold, condition and/or revoke Franchisor's approval of particular items or suppliers in Franchisor's reasonable discretion, and Franchisor's approvals may be temporary. Franchisor or Franchisor's Affiliates may receive rebates, commissions, and other benefits from suppliers in relation to items purchased by Franchisee and other franchisees. Franchisor has the right to condition or revoke Franchisee's right to participate in any supplier programs if Franchisee are in default under this Agreement.

D. Franchisee may propose alternative manufacturers, suppliers or distributors of approved products, services, supplies, materials and FF&E items used in the operation of the Franchised Business, as well as alternative products, services, supplies, suppliers, materials and FF&E items to those previously approved by Franchisor. If Franchisee would like to use alternate manufacturers, suppliers, or distributors, or alternative products, services, supplies, materials and FF&E items to those required by Franchisor, Franchisee must first request in writing that Franchisor approve the alternate. Franchisee must submit whatever information, specifications, or samples Franchisor requires and must pay to Franchisor a fee of $500 per product or service when the request is submitted. If the costs of Franchisor for the review and testing of the products, services, supplies, materials and FF&E items, or reviewing the manufacturer, supplier, or distributor exceed $500, the Franchisee must reimburse Franchisor for such additional cost per the terms of invoice therefor. If, based on the review, Franchisor decides to approved the reviewed product, service, supplies, material, FF&E item, manufacturer, supplier, or distributor for all franchisees in the System, the Franchisor will reimburse Franchisee for the testing fee. Franchisor reserves the right to approve or disapprove proposed alternative products or services in its sole discretion. Franchisor will notify Franchisee within a reasonable time of its approval or rejection of the alternate product or service. Franchisor may revoke an approval previously given at any time in its discretion, upon notice to the Franchisee. Notice will be given in a manner that Franchisor deems appropriate. Franchisor may require Franchisee's proposed manufacturer, supplier, or distributor to sign a confidentiality agreement acceptable to Franchisor, and Franchisor may require that samples of or from these proposed alternatives be delivered

to Franchisor for testing prior to approval and use. Further, all proposed manufacturers, suppliers or distributors must agree to permit Franchisor's agents or representatives to inspect their facilities regularly, both initially and from time to time as may reasonably be required by us to assure Franchisor of the proper production, processing, packaging, storing and transportation of the products, services, supplies or FF&E items and materials to be purchased by Franchisee, and with respect to alternative products, services, supplies, materials and FF&E items, that they comply with Franchisor's standards and requirements. The foregoing will not be construed as an attempt to unreasonably limit the sources from which Franchisee may procure products, services, supplies and materials. Rather, it is Franchisor's intention that such items conform to Franchisor's strict standards and strict specifications as to consistent quality, uniformity and reliability. Further, Franchisor will not be required to approve an inordinate number of alternative suppliers of a given item which in Franchisor's reasonable judgment would prevent Franchisor's effective supervision of suppliers. Notwithstanding the foregoing, Franchisor may designate certain products, services, supplies, materials and FF&E items as proprietary, and not permit alternative manufacturers, suppliers, or distributors, or alternative products, services, supplies, materials and FF&E items for such items. Noting in this Section requires Franchisors to disclose any Trade Secrets to any third party.

E. FRANCHSOR AND ITS AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, FF&E ITEMS, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

8.2 Compliance with Manual. The Franchised Business shall be conducted in accordance with the mandatory provisions contained in the Manual, as updated, supplemented, and modified. Franchisee further acknowledges that establishing, maintaining, and protecting the goodwill, reputation, and uniformity of the System requires strict adherence to this Agreement and the Manual in all respects, it being agreed that every detail is significant and material. Franchisee shall at all times ensure that Franchisee's copy of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling. Franchisee shall maintain the Manual in a safe and secure location (including with appropriate password protection, if the Manual is kept electronically) and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor.

8.3 Inspections. Franchisee hereby grants to Franchisor and its agents the right to enter upon the premises of the Franchised Business at any reasonable time for the purpose of conducting inspections. Franchisee shall cooperate fully with Franchisor's agents during the inspections, and take such steps as may be reasonably necessary to correct any deficiencies detected during such an inspection, upon the written request of Franchisor or its agents, within such reasonable time as may be specified therein. Franchisee shall provide all information requested by Franchisor for the purpose of Franchisor's conducting customer satisfaction audits and surveys, and permit Franchisor and its agents access to test, sample, inspect and evaluate Franchisee's supplies, ingredients, and products, as well as the storage, preparation, and formulation and conditions of sanitation and cleanliness in the storage, production, handling, and serving. If Franchisor determines that any condition at the Location presents a threat to customers or public health and safety, Franchisor may take whatever measures it deems necessary, including requiring Franchisee to immediately close the Franchised Business until the situation is remedied to Franchisor's satisfaction. Franchisor will charge Franchisee for the actual expense of the audit, which expenses may include the hiring of a third party to perform the audit (**"Quality Audit Fee"**). Franchisee shall pay such Quality Audit Fee within fifteen (15) days of receipt of an invoice therefor. Franchisor may, in its sole discretion, collect any

payments or amounts due or payable under this Article by direct debit withdrawal from a bank account designated by Franchisee.

8.4 Health Inspection Reports and Failure of Inspections. Franchisee shall promptly provide Franchisor with a copy of any health or safety inspection performed of the Franchised Business. If Franchisee fails an inspection for any health or safety reason that Franchisor, in its discretion, deems to constitute a danger to the health or safety of the public, or employees at the Location, Franchisee shall, immediately upon Franchisor's request, take such action as required by Franchisor, including closing all or part of the Location, until the dangerous conditions have been remedied to Franchisor's satisfaction. Nothing in this Section 8.4 shall limit or restrict Franchisor's rights under Article 14, or any other Article of this Agreement.

8.5 Franchisee Inventions. If Franchisee or its affiliates, owners, or employees, develop any products, services, procedures, or inventions, or improvements on products, services, or procedures already part of the System, and whether or not protectable intellectual property (**"Inventions"**), such Inventions must be promptly disclosed to Franchisor, and if deemed by Franchisor to be appropriate for use in the Franchised Business and other System Locations, such Inventions will be deemed to be Franchisor's sole and exclusive property, part of the System and works made-for-hire for Franchisor. To the extent any such Invention does not qualify as work-made-for hire, it must be assigned to Franchisor. Franchisee agrees to take, or direct its affiliates, owners, or employees, to take all necessary steps and action such assignment may require.

8.6 Integrity in Promotion and Business. All marketing and promotion by Franchisee shall be factual, ethical, and in good taste in the judgment of Franchisor and shall be subject to Franchisor's approval as provided in Article 9.1 of this Agreement. Franchisee shall 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 which, in the subjective opinion of Franchisor, may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and other System Locations.

8.7 Notification of Agency Reports. Immediately upon receipt by Franchisee of any report from any health department or other comparable agency, Franchisee shall send a complete copy of such report to Franchisor by email or overnight courier service. Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Location or of any notice of violation of any law, ordinance, or regulation relating to health or sanitation.

8.8 Product Pricing and Discounts. Franchisor and Franchisee recognize the value of pricing and marketing programs that facilitate the marketing of the System, the good will, reputation, and uniformity of the System and consumer acceptance and recognition of System Locations. Franchisee and Franchisor agree that, in order to better accomplish these objectives, Franchisor may from time to time in its sole judgment (a) require menu prices shall start at levels no higher than those determined by Franchisor and (b) otherwise establish rates and prices to the extent permitted by applicable law. Unless expressly permitted by Franchisor in prior writing, Franchisee will not offer coupons, discounts, gift cards, gift certificates, loyalty programs, or similar promotions.

8.9 Operational Hours. Franchisee shall operate their franchise business six days per week excluding Sunday's throughout the year and for a minimum of 12 hours per day or at hours Franchisor may designate. Exceptions to operational hours are allowed due to nationally recognized holidays with the exception of being closed for business on Sundays. Franchisor at its discretion, reserves the right to make

adjustments to the operational hours and may be done through the Manual or other written directives. Operational hours dictated through the Manual or other written directive shall take precedence to those hours listed in this article.

Article 9. Advertising.

Franchisee and Franchisor recognize the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System. In order to better accomplish these objectives, the parties agree as follows:

9.1 Conformance with System Standards. All advertising, marketing, and sales materials used by Franchisee in any medium shall be conducted in such manner, and shall conform to such standards and requirements, as Franchisor may specify from time to time. Franchisee must submit to Franchisor for its prior written approval samples of all advertising, marketing, and sales plans and materials and all other materials displaying the Proprietary Marks that Franchisee desires to use which have not been prepared or previously approved by Franchisor; provided, however, that no such deemed approval shall relieve Franchisee from complying with the requirements of Article 8.7 of this Agreement.

9.2 Grand Opening Advertising. Starting two weeks before the Franchised Business opens, and continuing for four weeks thereafter, Franchisee shall spend at least two thousand dollars ($2,000) on advertising and marketing to promote the Franchised Business. Upon request, Franchisee must submit its grand opening marketing plan to Franchisor for review and approval.

9.3 Local Advertising Requirement. Throughout the term of this Agreement, Franchisee shall spend at least two percent (2%) of its Adjusted Gross Sales monthly on such local marketing and advertising in the Protected Area. Franchisor may from time specify in the Manual the types of expenses that will be counted towards the required minimum spend. Notwithstanding the foregoing, if Franchisee contributes funds towards an Advertising Cooperative, such funds actually contributed to the Advertising Cooperative will off-set the local advertising expenditures required by this Section for the same time period as for which the Advertising Cooperative contributions were made.

9.4 Brand Development Fund. Franchisor has established a Brand Development Fund (**"Brand Development Fund"**). The Brand Development Fund will be administered by the Franchisor, provided that Franchisor may, in its sole discretion, consult with the Advisory Franchisee Council on matters relating to the Brand Development Fund. The Brand Development Fund may be used to meet any and all costs of researching, developing and preparing national, regional, point of sale, and local direct sales advertising and marketing strategy materials for use within the System, including, without limitation, costs associated with developing, preparing, directing, administering, maintaining, and disseminating advertising, marketing, promotional, and public relations materials; conducting marketing research and new product development; in-store promotions, point-of-sale advertising, menu and menu boards and other sales aids; maintaining a national sales and marketing staff and related expenses or hiring outside agencies; development, maintenance and updates to the Online Presence; joint promotional programs for all Franchisor brands; and preparing, producing, broadcasting, and disseminating advertising and promotions, including, without limitation, radio, television, newspaper, magazine and Internet advertising, market surveys, public relations activities, and employment of advertising agencies. Franchisor shall choose and determine the nature, theme, and timing of advertising and the kind and quality of advertising materials to be provided to franchisees through the Brand Development Fund. All payments, plus income earned therefrom, shall be used exclusively for the above-stated purposes, shall be maintained in an account separate from Franchisor funds or accounted for separately if utilizing the same account, and shall not be used to defray any of Franchisor's general operating expenses, except for reasonable salaries,

administrative costs, travel expenses, overhead, and similar expenses Franchisor may incur in activities related to the administration of the Brand Development Fund and all costs of development and preparing national, regional, point of sale, and local advertising materials for use within the System. Franchisor shall, for each of its company-owned System Locations, make contributions to the Brand Development Fund at the same percentage of Adjusted Gross Salesrequired of Franchisees within the System. Franchisor, or its designee, shall direct all advertising, marketing, and direct sales promotional programs and activities, with sole discretion over the concepts, materials, and media used in such programs and activities and the placement and allocation thereof. Franchisee acknowledges that the intent of the Brand Development Fund shall be to maximize general public recognition, direct sales programs, and acceptance of the Proprietary Marks for the benefit of the System, and Franchisor shall have no obligation in administering the Brand Development Fund, to make expenditures for Franchisee which are equivalent or proportionate to any payments by Franchisee, or to ensure that any particular Franchisee or any particular franchised location benefits directly or pro rata from advertising or promotion conducted under the Brand Development Fund. The Brand Development Fund is not a trust or escrow account, and Franchisor has no fiduciary obligation to franchisees with respect to the Brand Development Fund; provided, however, that Franchisor will make a good faith effort to expend such fees in a manner that Franchisor determines is in the general best interests of the System. Franchisor has the right to advance monies to the Brand Development Fund and subsequently obtain reimbursement of such advances out of Brand Development Fund fees collected.

A. **Advisory Franchisee Committee.** Once established by Franchisor, Franchisee and all franchisees of the System shall be members of the Advisory Franchisee Committee. As long as this Agreement remains effective, Franchisee shall be a member of Advisory Franchisee Committee or such successor franchise advisory council as may be sanctioned by Franchisor to serve as an advisory council to Franchisor with respect to advertising, marketing, reservations, and other matters relating to System Locations. All franchisees of the System shall be members of the Advisory Franchisee Committee. Franchisee shall pay to the Advisory Franchisee Committee all dues, assessments, and conference fees authorized by the Advisory Franchisee Committee and shall otherwise maintain its membership in the Advisory Franchisee Committee in good standing ("good standing" means the Advisory Franchisee Committee dues and assessments are current and Franchisee has not been given a notice of its default under this Agreement). Such fees shall be consistently applied to all franchisees in the System and Properties owned by Franchisor or its Affiliates. As of the date of this Agreement, no dues have been authorized by the Advisory Franchisee Committee.

9.5 Location Directory. Franchisee agrees to list the Location in the Ginger Ale's® Location Directory and to furnish to Franchisor such information as Franchisor or its designee may request for that purpose. Franchisee understands and acknowledges that the success and utility of the Ginger Ale's® Location Directory may require that it contain information concerning menu prices and special offers; that Franchisee shall have sole discretion in determining any menu prices and special offers for the Franchised Business which appears in each Ginger Ale's® Location Directory; and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any failure by Franchisee or Franchisor's other franchisees to honor any Ginger Ale's® Location Directory prices for the period during which each Ginger Ale's® Location Directory is in effect.

9.6 Online Ordering. Franchisee shall participate in the Ginger Ale's® online ordering system, and shall observe all terms and conditions of participation specified by Franchisor. Franchisee shall purchase, install, and maintain at the Location all equipment necessary for participation in the online ordering system required by Franchisor, including computer equipment and software and any future enhancements, additions, substitutions, or other modifications specified by Franchisor in the Manual or otherwise in writing. Franchisee shall also be responsible for other communication infrastructure charges for connecting Franchisee's online ordering equipment to the online ordering system and for the cost of supplies used in the operation of the equipment and for all other related expenses.

9.7 Advertising Cooperative. Franchisor has the right to establish and maintain local and regional advertising cooperatives for geographic areas (each an **"Advertising Cooperative"**). Each Advertising Cooperative will use the funds it receives only for the purposes set forth in this Agreement and shall operate pursuant to policies and procedures Franchisor establishes. All System Locations in the geographic area of the Advertising Cooperative will participate in the Advertising Cooperatives on the same basis. Franchisor will provide Franchisee written notice of the establishment of any Advertising Cooperative for the geographic area that the Franchised Business is located in, if and when an Advertising Cooperative for the geographic area is established. Franchisee may be required to contribute up to two percent (2%) of its Adjusted Gross Sales to the Advertising Cooperative. Franchisee will make those contributions either to Franchisor or directly to Franchisee's Advertising Cooperative, as Franchisor direct from time to time.

Article 10. Financial Reporting.

10.1 Maintenance of Books and Records. Franchisee shall, in the manner and form specified by Franchisor in the Manual or otherwise in writing, prepare on a current basis (and preserve for at least five years from the date of preparation) complete and accurate books and records using such charts of accounts as Franchisor may require, and in accordance with generally accepted accounting principles concerning Adjusted Gross Sales and all financial, operating, marketing, and other aspects of the Location and the Franchised Business, and maintain an accounting system that fully and accurately reflects all financial aspects of the Location, the Franchised Business, and Franchisee. Such books and records shall include, but not be limited to, books of account, tax returns, governmental reports, daily and other periodic reports, and complete quarterly and annual financial statements (profit and loss statements, balance sheets, and cash flow statements). Franchisee's obligation to preserve such books and records shall survive the termination or expiration of this Agreement.

10.2 Monthly Income Statement. Unless automatically generated by the Franchisee's point of sale system, on or before the 10th day of the following calendar month, Franchisee shall submit to Franchisor an income statement prepared in accordance with generally accepted accounting principles (in such form and detail as Franchisor may require) that will support the computation of all amounts then due under Article 4.1 of this Agreement, provided that, if fees will become due under this Agreement at a different frequency than monthly, upon notice to Franchisee, Franchisor may require reports to be submitted at such frequency as to coincide with the frequency of the payment due dates. The statement shall include information for the preceding month as to Adjusted Gross Sales, other revenues, expenses, and such other information as Franchisor may require. Any report required to be submitted hereunder shall be submitted electronically, unless another format for submission is specified by Franchisor.

10.3 Annual Reports. At Franchisor's request, Franchisee shall submit to Franchisor as soon as available but not later than sixty (60) days after the end of Franchisee's fiscal year, at Franchisee's expense, a full and complete reviewed financial statement in writing setting forth the Adjusted Gross Sales and the computation of all amounts paid by Franchisee under Article 4.1 of this Agreement for such fiscal year. In addition, Franchisee shall also submit a Balance Sheet consistent with generally accepted accounting practices for the preceding year. Such statement shall be prepared in such format and according to such standards as specified by Franchisor, which may include being prepared in accordance with generally accepted accounting principles, consistently applied, and being accompanied by a report from an independent certified public accountant that the statement has been examined in accordance with generally accepted auditing standards. In addition, at Franchisor's request, Franchisee shall submit to Franchisor true copies of all state sales tax returns relating to sales made at the Location at the same time the returns are

filed with state authorities, and such other records as Franchisor may reasonably request, including, without limitation, state and federal income tax returns of Franchisee.

10.4 Audits and Inspections of the Records. Franchisor or its representatives, at Franchisor's expense, shall at all reasonable times have the right to inspect or audit the books, accounts, records, returns, and statements of Franchisee on the premises of Franchisee, such other location where they are kept, or to have such records sent to a separate location designated by Franchisor. The foregoing records may include, but are not limited to, state and federal income tax returns, credit card or any other third-party charge account statements, and any bank, savings and loan, brokerage, or other financial checking, money market, or savings account used for the Franchised Business. Franchisee shall fully cooperate with Franchisor and its representatives or agents conducting such inspections or audits and, upon request; Franchisee shall submit a written response to any issues raised in connection with said audits. In the event a discrepancy between reported Adjusted Gross Sales and actual Adjusted Gross Sales is uncovered in any audit conducted pursuant to this Article for any reporting period (monthly, quarterly, or annually), Franchisee shall promptly pay the amount determined to be owing and, if the discrepancy exceeds 2% of reported Adjusted Gross Sales, Franchisee shall reimburse Franchisor for all costs of the audit, including travel, lodging, and wages of personnel of Franchisor or third parties required to conduct such audit. Franchisee shall also promptly reimburse Franchisor for the cost of any audit (including salaries, travel, and living expenses) necessitated by Franchisee's failure to file any financial report due hereunder and any deficiency in royalties or Brand Development Fund contributions disclosed by such audit. At Franchisor's option, Franchisee shall also immediately pay to Franchisor a late charge on the understated amount due from the date such amount was due until paid at the lesser of 1.5% per month or the maximum rate permitted by applicable law. The foregoing remedies shall be in addition to any other remedies Franchisor may have. Submission by Franchisee of more than 2 written statements of Adjusted Gross Sales which under-report Adjusted Gross Sales for any reporting period by 2% or more (regardless of any subsequent cure) shall constitute a material breach of this Agreement entitling Franchisor, at its option, the right to terminate this Agreement pursuant to Article 14.1.C. of this Agreement.

10.5 Authorization of Financial Institutions and of Disclosure. Franchisee hereby authorizes all banks and/or other financial institutions with which Franchisee does business to disclose to Franchisor any requested financial information in their possession relating to the Location. Franchisee further authorizes Franchisor to disclose such information to prospective franchisees and state regulatory agencies; provided that such information is not identified as relating to the Location unless required by law or regulation and then only if Franchisor requests that such identification be held in confidence.

10.6 Use of Operations Data. The Franchisee agrees that Franchisor or its affiliates may disclose to third parties data concerning and relating, directly or indirectly, to the Franchisee, the operations of Franchisee, and Franchisee's customers, including, but not limited to information about Adjusted Gross Sales (**"Operations Data"**). Franchisee waives any notice in connection with the disclosure of Operations Data. Franchisor agrees, that it, or its affiliates, will from time to time disclose to the Franchisee such operations data as it deems appropriate regarding other franchisees of Franchisor (Operations Data jointly with operations data of other franchisees, **"System Operations Data"**). The Company may, in its sole discretion, determine when and what System Operations Data will be disclosed, and may, without prior notice to, or consent from Franchisee, change the scope of the Systems Operations Data being disclosed to Franchisee or when it is disclosed. Systems Operations Data disclosed to Franchisee is disclosed solely for Franchisee's internal business purposes and to enable Franchisee to compare its results with those of other franchisees of Franchisor. The disclosed Operations Data and Systems Operations Data remains confidential information of Franchisor. Franchisee may not disclose Systems Operations Data to other franchisees of Franchisor, prospective franchisees of Franchisor, competitors of Franchisor, prospective purchasers of Franchisee or any of the Franchisee's assets, financial institutions, or any other third parties. The Systems Operations Data so disclosed will be based on information provided

to Franchisor by its franchisees. Such information will not be verified by Franchisor or any of its affiliates. Franchisor has no obligation to correct Systems Operations Data disclosed after it learns that it was incorrect or incomplete, or to inform Franchisee thereof.

Article 11. Proprietary Marks and Trade Secrets; Competition.

11.1 Ownership of Proprietary Marks and System. Franchisor is either the owner or the licensee of all Proprietary Marks. Franchisee acknowledges that ownership of all right, title, and interest in the System and all parts thereof, including, without limitation, the Proprietary Marks and the design, decor, and image of all System Locations, is and shall remain vested solely in Franchisor and IP Owner. Franchisee expressly disclaims any right, title, or interest therein or in any goodwill derived therefrom.

11.2 Franchisee's Use of Proprietary Marks and System. The license granted hereby to use the Proprietary Marks is nonexclusive, and Franchisee agrees that such Proprietary Marks are and shall remain the property of IP Owner and shall not be contested as to ownership or validity by Franchisee. Franchisee understands and agrees that the grant of the license to use the Proprietary Marks is conditioned upon Franchisee's agreement that: (a) the Proprietary Marks shall be used only in connection with the Franchised Business and only in the manner authorized by Franchisor; (b) Franchisee will not use the Proprietary Marks or parts thereof as part of its corporate or other legal name, will identify itself as a Franchisee, and will comply with all fictitious name and other statutes in connection with its use of the Proprietary Marks; (c) Franchisee will cooperate with Franchisor in protecting and defending the Proprietary Marks; and (d) Franchisee will comply with Franchisor's designations of additions, deletions, and changes in the Proprietary Marks. Franchisee's license to use the System, and any part thereof, is personal to Franchisee, and Franchisee shall not license, sublicense, or allow the System, or any part thereof, to be used by any other person, firm, or business association. All uses of the System by Franchisee inure to the benefit of Franchisor and with respect to the Proprietary Marks, to the benefit of IP Owner. Franchisee acknowledges and agrees that for purposes of protecting IP Owner's interest in the Proprietary Marks, IP Owner is a third-party beneficiary to this Agreement.

11.3 Changes to the Proprietary Marks. Franchisor reserves the right, in its sole discretion, to designate one or more new, modified or replacement Proprietary Marks for Franchisee's use and to require Franchisee's use of any such new, modified or replacement Proprietary Marks in addition to, or in lieu of any previously designated Proprietary Marks. Franchisee must, at its expense, comply with any such directive within sixty (60) days following its receipt of Franchisor's written notice.

11.4 Protection of Proprietary Marks and System. Franchisee shall not, directly or indirectly, at any time during the term of this Agreement or thereafter, do, cause, or suffer to be done any act or thing disputing, attacking, or in any way impairing or tending to impair the right, title, or interest of Franchisor or IP Owner (to the extent applicable) in the Proprietary Marks or the System. Franchisee shall immediately notify Franchisor in writing of all infringements or imitations of the Proprietary Marks of which Franchisee becomes aware, and Franchisor or IP Owner (to the extent applicable) shall exercise absolute discretion in deciding what action, if any, should be taken. Franchisee shall fully cooperate with Franchisor or IP Owner (to the extent applicable) in the prosecution of any action to prevent the infringement, imitation, or illegal use of the Proprietary Marks and agrees to be named as a party in any such action at Franchisor's request. Franchisor or IP Owner, as the case may be, shall bear any and all legal expenses incident to Franchisee's participation, at Franchisor's request, in any action to prevent the infringement or illegal use of the Proprietary Marks, except for the cost of any legal counsel separately retained by Franchisee. Except as expressly provided in this Article, Franchisor shall not be liable to Franchisee for any damages, costs, expenses, loss of profits or business opportunities, or incidental or consequential damages of any kind or nature whatsoever relating to any action involving the Proprietary Marks.

11.5 Identification of Franchised Business. Franchisee shall use the Proprietary Marks as the sole identification of the Location; provided, however, that in all public records and in its relationship with other persons, on stationery, business forms, checks, or as otherwise required by Franchisor, Franchisee shall indicate Franchisee's independent ownership of the Franchised Business. Franchisee shall identify the Franchised Business as being independently operated, such as "Independently owned and operated by [Franchisee] through a Franchise Agreement with GA Franchising, LLC." or "This Ginger Ale's® Location is independently owned and operated by [Franchisee] through a Franchise Agreement with GA Franchising, LLC." Franchisee shall file so-called assumed name or doing business certificates with local or state authorities, as required by applicable law, showing its independent ownership of the Franchised Business. In no event shall Franchisee use the Proprietary Marks in connection with the sale of any product or service not authorized for sale by the Franchised Business. Franchisee shall not license, sublicense, or allow the Proprietary Marks to be used by any other person or business entity without Franchisor's prior written approval. In adopting any corporate, proprietorship, or partnership name, Franchisee shall not use the Proprietary Marks or any variation or abbreviation thereof, or any words confusingly similar thereto. Franchisee has no right to register any of the Proprietary Marks and shall not register any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark with the U.S. Patent and Trademark Office, the Canadian Intellectual Location Office, or with state, provincial, or other authorities, or to register any URL or other internet address including any Proprietary Mark, or any abbreviation, acronym, or variation of any Proprietary Mark. If it becomes advisable at any time in Franchisor's sole discretion for Franchisor and/or Franchisee to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade or service Proprietary Marks, Franchisee agrees to comply therewith within a reasonable time after written notice thereof by Franchisor.

11.6 Trade Secrets. Franchisee further acknowledges and agrees as follows:

A. Franchisor possesses certain Trade Secrets, and in general, recipes, methods, techniques, formats, specifications, programs, procedures, information systems, and knowledge, in the operation and franchising of Properties and other lodging concepts.

B. Franchisor will disclose the Trade Secrets to Franchisee in furnishing Franchisee with standard plans for the Location, in the Manual and any other materials, by providing training to Franchisee hereunder, and in the performance of Franchisor's other obligations and the exercise of its other rights under this Agreement. Franchisee hereby agrees that all materials lent or otherwise made available to Franchisee by Franchisor and all disclosures made to Franchisee hereunder including, without limitation, the Manual and other confidential commercial information identified as such by Franchisor are Trade Secrets of Franchisor and shall be kept confidential and used by Franchisee only in the operation of the Franchised Business. Franchisee will not, nor permit anyone else to, reproduce, copy, access or exhibit any portion of the Manual or any other confidential or proprietary information received from Franchisor. Franchisee shall not divulge any such Trade Secrets to any person other than Franchisee's employees and then only to the extent necessary for the operation of the Franchised Business.

C. Franchisee shall acquire no interest in the Trade Secrets, other than the right to utilize them in the development and operation of the Franchised Business during the term of this Agreement. The use or duplication of the Trade Secrets in any other business will constitute an unfair method of competition. The Trade Secrets are proprietary and are disclosed to Franchisee in confidence and solely on the condition that Franchisee agrees, and Franchisee hereby agrees that Franchisee (i) will not use the Trade Secrets in any other business or capacity; (ii) will maintain the absolute confidentiality of the Trade Secrets during and after the term of this Agreement; (iii) will not make unauthorized copies of any portions of the Trade Secrets disclosed in written form, including, without limitation, any recipes, plans, the Manual, bulletins or supplements, and additions thereto; and (iv) will operate and implement all reasonable procedures prescribed by Franchisor to prevent the unauthorized use and disclosure of the Trade Secrets.

Franchisee shall immediately notify Franchisor of any unauthorized use of disclosure of the Manual or any of the Trade Secrets or if the Manual or any other materials containing any Trade Secrets are lost or stolen.

D. The foregoing restrictions on Franchisee's disclosure and use of Trade Secrets shall not apply to information, processes, or techniques that are or become generally known and used by other similar lodging concepts, other than through disclosure (whether deliberate or inadvertent) by Franchisee, and disclosure of Trade Secrets in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information, provided, Franchisee shall have used Franchisee's best efforts, and shall have afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

11.7 Owners and Others Covered by Article 11. Unless the context otherwise requires, the term "Franchisee" as used in this Article 11 shall include, individually and collectively, all partners, officers, directors, and managers of Franchisee, and owners or holders, directly or indirectly (and any partners, officers, directors, and managers of any such holder), of 5% or more of the beneficial interest in Franchisee.

11.8 Confidentiality Agreements. At Franchisor's request, Franchisee shall require and obtain execution of a Confidentiality Agreement in a form acceptable to Franchisor, (including a Confidentiality Agreement applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (a) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of (i) Franchisee and (ii) any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation; (b) the general partners and any limited partners (including any corporation or other entity, and the officers, directors, and holders of a beneficial interest of 5% or more of the securities of such corporation or other entity which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership; (c) the managers and members (including any corporation or other entity, and the officers, directors, and holders of a beneficial interest of 5% or more of the securities of any corporation or other entity which controls, directly or indirectly, any member or manager), if Franchisee is a limited liability company; and (d) all of Franchisee's employees. Failure by Franchisee to obtain execution of the Confidentiality Agreement required by this Article, or to deliver such Confidentiality Agreement to Franchisor, shall constitute a material breach of this Agreement.

11.9 General Manager Confidentiality Obligations. Franchisee shall require every person employed as general manager of the Franchised Business to devote full time to such employment and to agree in writing to be bound by the restrictions set forth in this Article. Franchisee shall also take all reasonable steps to require other employees to be bound by the confidentiality provisions of this Article. Upon Franchisor's request, Franchisee shall promptly provide copies of all such agreements to Franchisor.

11.10 Proprietary Marks in Electronic Commerce. All use of the Proprietary Marks in electronic commerce, which includes all forms of electronic or computer communication, including all Online Presence, must comply with the requirements set forth in the Manual. Franchisor may require that various types of marketing or advertising utilize a specific template or format. Franchisee must provide Franchisor with copies of all proposed applications for registrations of any of the Proprietary Marks or any variation thereof for use in and for electronic commerce, including Franchisee's website address, domain name and any other individual franchisee Online Presence. Franchisee must obtain Franchisor's prior written approval to file any such application, which Franchisor may withhold in its sole discretion. Upon expiration or termination of this Agreement, Franchisee agrees to transfer its website addresses and domain names to Franchisor upon Franchisor's written request. Franchisee will not receive any compensation for such transfer.

11.11 Revisions of Article 11 and Injunctive Relief. In the event any provision of this Article is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, then Franchisee agrees that the provisions hereof may be reformed and modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Franchisee agrees that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Article and agrees to the enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

11.12 Covenant Not to Compete. Franchisee acknowledges the uniqueness of the System and that Franchisor is making its knowledge, know-how, and expertise available to Franchise for the purpose of operating the Franchised Business only at the Approved Location in the Protected Area. Franchisee agrees that it would be an unfair method of competition for Franchisee to duplicate, or to allow others to use or duplicate, any of the knowledge, know-how, or expertise for any reason other than the operation of the Franchised Business under this Agreement. Franchisee further recognizes the importance of devoting substantial time and energy to the Franchised Business. Therefore, Franchisee Agrees that:

A. During the term of this Agreement Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager, or otherwise, in any Competing Business (except another System Location); provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article.

B. For a period of two (2) years following the transfer (by Franchisee or by an owner signing an Owner's Acknowledgement to this Agreement), expiration, or termination of this Agreement for any reason, Franchisee shall not compete with Franchisor and/or the System by being associated directly or indirectly as an owner, shareholder, officer, director, employee, consultant, manager or otherwise, in any Competing Business (except a System Property) anywhere in the Franchise's Protected Area or the Protected Area of any other System Location; provided, passive ownership of less than 5% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Article. If Franchisee is in breach of this Section following the transfer, expiration or termination of this Agreement (including by continuing to operate the Location as a System Location after the Agreement has expired or terminated), the period of duration for the obligation set forth herein will be tolled until the resolution of any enforcement action taken by Franchisor against Franchisee to enforce this Section.

Article 12. Insurance and Indemnity.

12.1 Insurance. During the term of this Agreement, Franchisee shall comply with all insurance requirements of any lease, mortgage, or deed of trust covering the Franchised Business as well as all insurance requirements of Franchisor as set forth in the Manual or as otherwise communicated by Franchisor from time to time. All insurance shall be procured at the earliest possible time that Franchisee has an insurable interest with respect thereto, but in no event later than the Opening, and shall be written by insurance companies with an A.M. Best rating of A or greater. As of the Effective Date, at a minimum, Franchisee shall maintain the following:

(i) Business Owner's Policy (General Liability): $1,000,000 per occurrence and $1,000,000 aggregate;
(ii) Worker's Compensation: $100,000 bodily injury by disease per occurrence and $500,000 bodily injury by disease aggregate; and

(iii) building coverage insurance if you own the building you operate your Franchised Business (coverage amount commensurate to building value) out of, or a Tenant Policy if you rent the building (coverage amount at least $120,000).

During any construction work at the Location, Franchisee shall maintain or cause its general contractor or design-builder to maintain Builder's Risk insurance or equivalent property insurance to cover that portion of the work to be constructed, installed, altered, or repaired. Such coverage shall include the interests of Franchisor, Franchisee, any mortgagee, the general contractor or design-builder, any subcontractors, and any other party having an interest in the work. Franchisee shall also flow down the requirements of this Section 12.1 to all contractors or design-builders performing such work, to the extent applicable.

12.2 Waiver of Subrogation and Additional Insureds. All policies of insurance specified herein shall contain a provision or endorsement whereby the insurers waive any rights of subrogation against the Indemnitees. The insurance policies required by subparts (i), (ii), and (iii) of Section 12.1, shall name the Indemnitees as additional insureds, including the Franchisor, and such policies shall apply on a primary and non-contributory basis to any insurance maintained by the Indemnitees. Upon execution of this Agreement, Franchisee shall deliver Certificates of Insurance to Franchisor evidencing Franchisee's compliance with the insurance requirements herein. An updated Certificate of Insurance shall be provided any time a policy required herein is renewed or a carrier is changed. Franchisee shall provide Franchisor with notice of cancellation of any insurance policy required herein promptly after receiving such notice from its respective insurance carrier(s). Franchisor shall have the option, at any time during the term of this Agreement, to request and examine complete policies of insurance from Franchisee.

12.3 Sufficiency of Insurance Not Guaranteed. Franchisee acknowledges and understands that Franchisor makes no representation or warranty with respect to the adequacy or sufficiency of the insurance required under this Article, and that Franchisee shall have the sole responsibility to determine whether additional insurance or higher limits are appropriate. Franchisee should consult with its own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required herein. Franchisor's review and verification of certain elements of the franchisee's insurance does not in any way reduce or eliminate Franchisee's obligations to fully comply with all insurance requirements. It is Franchisee's sole obligation to fully comply with these insurance requirements and it is Franchisee's sole obligation to confirm with its insurance providers that its policies are in compliance.

12.4 Franchisor's Right to Obtain Insurance. If Franchisee does not obtain and maintain the insurance coverage required by this Agreement, as revised by the Manual, or otherwise in writing, Franchisor may, but shall not be obligated to, procure such insurance, and the cost or expense thereof, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon demand.

12.5 Indemnity. Franchisee shall release, defend, indemnify, and hold the Indemnitees harmless from and against any and all fines, damages, legal fees, costs, expenses, and other liabilities suffered or incurred by the Indemnitees by reason of any actual or threatened claim, demand, lawsuit, tax, penalty, investigation, or other proceeding (**"Claim"**) (even where Indemnitee's negligence or other wrongful conduct is alleged) arising directly or indirectly from, as a result of, or in connection with (a) any application submitted to Franchisor, (b) the development, construction, operation, condition, use, or sale of the Franchised Business, (c) any occurrence at or on the Location premises or any other place where the Franchised Business is operated, permanently or temporarily, (d) any breach of any terms or provisions of this Agreement by Franchisee, and/or (e) any offering of securities, units, or other ownership interests of Franchisee, including, without limitation, the violation of any federal and/or state securities laws. Notwithstanding the foregoing, Franchisor shall have the right, through counsel of its choice, to control the

defense of any matter to the extent Franchisor reasonably determines that such matter may have a significantly adverse effect on any of the Indemnitees. Franchisee's indemnity obligations under this Agreement shall survive the expiration or other termination of this Agreement and shall be in addition to all other rights and remedies of Franchisor. Franchisee's obligations to indemnify Franchisor under this Article shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of its obligation to maintain insurance relieve Franchisee of liability under this indemnity provision or be construed to be a limitation on the amount of Franchisee's indemnity obligations. The right of the Indemnitees to indemnity under this Agreement shall arise notwithstanding that joint or concurrent liability may be imposed on the Indemnitees by statute, ordinance, regulation, or other law; provided, however, that Franchisee shall not be required to indemnify the Indemnitees from any Claim to the extent proven or agreed between the parties to have been caused by the sole or gross negligence or willful misconduct of the Indemnitees.

Article 13. Transfer of Interest or Management.

13.1 Transfer by Franchisor. Franchisor shall have the right to transfer or assign all or any part of this Agreement, or all or any of its rights or obligations herein to any person or legal entity and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

13.2 Transfer by Franchisee. This Agreement is not transferable by Franchisee except as permitted herein. The rights and duties set forth in this Agreement are personal to Franchisee and are granted in reliance on the individual and collective business skill, financial capacity, and personal character of Franchisee and its owners. Accordingly, neither this Agreement or the license granted hereunder, any part or all of any owner's direct or indirect ownership interest in Franchisee, the Franchised Business, the Location, nor a substantial portion of the Franchised Business' assets (collectively, the **"Franchised Interests"**), may be transferred by Franchisee without Franchisor's prior written approval, and then only in accordance with the provisions of this Agreement. Any purported Transfer by Franchisee, by operation of law or otherwise, which is not permitted hereunder, shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate in accordance with Article 14.1.C. without opportunity to cure.

13.3 Grant of Security Interest. Franchisee shall grant no security interest, lien, mortgage, or deed of trust on any or all of the real estate or fixtures of the Location without the prior written consent of Franchisor and then only if the secured party, lien holder, mortgagee or beneficiary of the deed of trust provides Franchisor with a non-disturbance agreement or comfort letter as to such real estate and/or fixtures of the Location in form and substance reasonably acceptable to Franchisor.

13.4 Transfer from Individual Franchisee to Entity. In the event that Franchisee is an individual and proposes, subsequent to the execution of this Agreement, to transfer this Agreement to a corporation, partnership, or limited liability company formed by Franchisee, Franchisor's consent to such transfer shall be conditioned upon satisfaction of and compliance with Article 7.17 of this Agreement and to the following additional requirements:

A. Franchisee shall be the owner of all of the voting stock, interests, or units of the corporation, partnership, or limited liability company; and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation, partnership, or limited liability company as he or she had in Franchisee prior to the transfer.

B. All transferors shall execute a release of claims and a written agreement personally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor from the date of transfer and agreeing to be bound by all the terms and conditions of this Agreement.

13.5 Right of First Refusal. Any transfer of any or all ownership interest, control, or voting rights in Franchisee or of any or all of the assets of Franchisee, which assets include this Agreement, except for a transfer made under Article 13.4, shall be subject to Franchisor's right of first refusal to such interest or assets if: (a) the offered purchase price for the transferred interest or assets is below fair market value; or (b) in the 12-month period before Franchisee or its owners receive or make a bona fide offer for such transfer the Location has failed one or more inspections and is not managed by Franchisor or its affiliates (each a **"Right of First Refusal Transfer"**). Except in the event of a transfer pursuant to Article 13.4, if Franchisee or any of its owners receive a bona fide offer for the sale of any or all ownership interest in Franchisee or of any or all of the assets of Franchisee, which assets include this Agreement, they shall notify Franchisor of the offer. If the transfer is a Right of First Refusal Transfer Franchisor shall have the right for a period of thirty (30) days after the notice is submitted together with all other information requested by Franchisor to exercise a right of first refusal and substitute itself for the proposed transferee in the transaction. If Franchisor declines to do so and there is any change in the terms and conditions of the proposed transaction or the proposed transferee, Franchisee shall promptly notify Franchisor, and Franchisor shall have the further right to exercise its right of first refusal over the revised transaction for a period of thirty (30) days. Should Franchisor exercise its right of first refusal, Franchisor shall have not less than an additional sixty (60) days to close the transaction, and Franchisor shall have the right to substitute cash for any alternative form of consideration contemplated by the proposed transaction, if such substitution does not materially and adversely affect the tax impact of such proposed transaction on the owners of the Franchisee. If Franchisor does not exercise its right of first refusal, Franchisee or the transferring owners may make a transfer on the terms and conditions of the offer considered by Franchisor, if Franchisee and its owners have complied with all of the provisions of this Article. If the parties disagree on whether the offered purchase price for the transferred interest or assets is below fair market value, the parties shall choose an appraiser to determine the fair market value. If the parties cannot agree on one appraiser each party shall choose one appraiser and the two appraisers so chosen shall choose a third appraiser whose appraisal of the fair market value shall be determinative.

13.6 Death or Incapacity. Upon Franchisee's death or Incapacity, or, if Franchisee is a corporation, partnership, or limited liability company, upon the death of the Operating Principal or upon the determination by Franchisor that the Operating Principal is Incapacitated, Franchisee's or such owner's executor, administrator, conservator, guardian, or other legally appointed personal representative must transfer Franchisee's interest in this Agreement or the owner's interest in Franchisee to a third party. Such disposition of this Agreement or the interest in Franchisee of an owner of a Controlling Interest (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 1 year from the date of death or Incapacity, and will be subject to all of the terms and conditions applicable to transfers contained in this Article 13. A failure to transfer Franchisee's interest in this Agreement or the interest of an owner of a Controlling Interest in Franchisee within this period of time constitutes a breach of this Agreement. Franchisee's interest in this Agreement or any owner's interest in Franchisee which is an entity may, with Franchisor's consent, which will not be unreasonably withheld, be transferred to the decedent's spouse, parent, sibling, or direct descendant or to spouse's direct descendant. Adequate provision must be made, in the sole discretion of Franchisor, for management of the Location during such period. Franchisee hereby authorizes Franchisor or its agents and Affiliates to operate the Location for so long as Franchisor deems necessary during such period, to avoid disruption in the operation of the Location. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor and its agents, in an amount equal to ten percent (10%) of Franchisee's Adjusted Gross Sales, will be charged to this separate

account. Nothing in this Section is intended to require Franchisor to operate the business in the event of Franchisee's inability.

13.7 Public and Private Offerings. Securities, units, or other ownership interests in Franchisee may be offered by public or private offering, or otherwise, only with the prior written consent of Franchisor (whether or not Franchisor's consent is required under Article 13.2 of this Agreement). If Franchisee requests consent for a public offering Franchisor may grant or withhold its consent in its sole discretion based solely upon what Franchisor deems to be in its best interests. If Franchisee requests consent for a private offering, Franchisor will not unreasonably withhold its consent. All materials required for such offerings by federal or state law shall be submitted to Franchisor for review prior to their being filed with any governmental agency; and any materials to be used in any exempt offering shall be submitted to Franchisor for review prior to their use. No Franchisee offering shall imply (by use of the Proprietary Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of Franchisee or Franchisor securities, and Franchisor's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. Franchisee and the other participants in the offering must fully indemnify Franchisor in connection with the offering. For each proposed public offering, Franchisee shall pay to Franchisor a fee of $25,000, or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. Franchisor at its discretion may refund any unused portion of such fee. For each private offering of securities, Franchisee shall pay to Franchisor a fee of $10,000 or such higher amount that covers Franchisor's reasonable costs and expenses associated with reviewing the proposed private offering, including, without limitation, legal and accounting fees. Franchisee shall give Franchisor written notice at least ninety (90) days prior to the date of commencement of any public offering and at least thirty (30) business days prior to the date of commencement of any private offering or other transaction covered by this Article.

13.8 Minority Transfers to Employees. Notwithstanding any provision to the contrary contained in this Article, Franchisee may transfer not more than an aggregate of 25% of the outstanding voting shares, units, or ownership interests of a Franchisee operating as a corporation, partnership, or limited liability company to employees of Franchisee who are actively engaged in the Location operations, if such transfers, alone or together with other previous, simultaneous, or proposed transfers, do not have the effect of transferring a Controlling Interest in Franchisee. The ownership of such shares, units, or ownership interests by such employees will be subject to all of the terms and conditions of this Agreement, including, without limitation, Article 11 and Article 13 of this Agreement. Franchisee shall provide Franchisor with written notice of any such proposed transfer and all pertinent information regarding the same not later than 30 days prior to the proposed date of transfer.

13.9 Conditions to Transfer. Franchisor shall not unreasonably withhold any consent required under this Article 13; provided, that Franchisor shall have the right to require any or all of the following as conditions of its approval of a Transfer:

A. except for a Transfer pursuant to Articles 13.3, 13.5, 13.6, and 13.8, that each proposed transferee shall be required to submit an application for a new franchise. Franchisor will process such application in accordance with Franchisor's then-current procedures, criteria, and requirements regarding fees, upgrading of the Location, credit, operational abilities and capabilities, prior business dealings, and other factors Franchisor deems reasonable.

B. that each transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, successors, and assigns, including, without limitation, claims arising under this Agreement, and any other agreement between Franchisee and Franchisor or its Affiliates;

C. that the transferee or its owners shall guarantee, in a form satisfactory to Franchisor, the performance of all obligations of the Franchisee from the date of Transfer;

D. if the proposed Transfer would result in a Change in Control of Franchisee, that the transferee shall execute the then-current form of Franchise Agreement being offered to new Franchisees for the full term. The transferee shall execute such other ancillary agreements required by Franchisor for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty and/or advertising fee.

E. if the proposed Transfer does not result in a Change of Control of Franchisee and does not have the effect of transferring a Controlling Interest in Franchisee, Franchisee will pay a transfer fee of $1,500; if the Transfer results in a Change of Control of Franchisee but is to an existing Ginger Ale's® Franchisee, Franchisee will pay a transfer fee equal to fifty percent (50%) of the then current initial franchise fee; and if the Transfer results in a Change of Control of Franchisee but is to an person other than an existing Ginger Ale's®, Franchisee will pay a transfer fee equal to seventy-five percent (75%) of the then current initial franchise fee; no application fee or Initial Franchise Fee shall be required under a new Franchise Agreement, but that Franchisee shall reimburse Franchisor for reasonable fees and expenses incurred by Franchisor in facilitating the proposed Transfer.

F. if a proposed Transfer would result in a Change in Control of Franchisee, that Franchisee or transferee at its expense upgrades the Location to conform to the then current System standards and specifications, and completes the upgrading and other requirements within the time specified by Franchisor;

G. that all monetary obligations of Franchisee hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of its obligations hereunder including, without limitation, its reporting obligations;

H. that the transferor shall continue to be bound by, and remain liable for all of the obligations to Franchisor in connection with the Franchised Business that arose prior to the effective date of the Transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability; and

I. if a proposed Transfer would result in a Change in Control of Franchisee, at Franchisee's expense, the transferee, or, if the transferee is a business entity, one of its owners, shall complete to Franchisor's satisfaction all training programs required by Franchisor upon such terms and conditions as Franchisor may reasonably require, including the payment of a fee for attendance at such training programs (The transferee shall be responsible for the salary and all expenses of the person who attends training);

If the proposed Transfer is not approved by Franchisor and Franchisee proceeds to transfer the Franchised Business, or securities, units, or other ownership interests in Franchisee to any proposed new owner, then this Agreement shall terminate pursuant to Article 14 hereof and Franchisor will be entitled to all of its remedies. Neither the Agreement, nor any rights hereunder shall be transferable in the event that the Franchisee is in default under the Agreement.

13.10 No Waiver of Claims. Franchisor's consent to a Transfer by Franchisee of any interest in the franchise granted herein 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.

Article 14. Default and Termination.

14.1 Events of Default. This Agreement may not be terminated prior to the expiration of its term except as provided in this Article. Termination of this Agreement shall not relieve Franchisee of any unfulfilled obligations to Franchisor created hereunder unless it is so agreed by Franchisor in writing. This Agreement may be terminated as follows:

A. Upon the mutual agreement of the parties in writing to a termination.

B. At Franchisor's option, effective immediately upon the giving of written notice to Franchisee, if Franchisee (i) fails to submit a site application, commence construction of the Location, complete construction of the Location, or open the franchised Location and commence operations within the time schedule established under Article 5 of this Agreement; (ii) ceases to operate the Franchised Business or otherwise abandons the business, or forfeits the legal right to do business in the jurisdiction where the Location is located; (iii) is convicted of a felony or other crime involving moral turpitude, consumer fraud, or crime or offense Franchisor believes is likely to have an adverse effect on Franchisee's ability to carry out the duties imposed by this Agreement or to have an adverse effect on the System and the goodwill associated therewith; (iv) transfers (including transfers following death or Incapacity) of any rights or obligations in violation of the terms of Article 13 of this Agreement; (v) misuses or discloses confidential information in violation of Article 11 of this Agreement; (vi) knowingly makes any false statements in any report or document submitted to Franchisor; (vii) submits more than two written statements of Adjusted Gross Sales which under-report Adjusted Gross Sales for any reporting period by 2% or more; (viii) suffers a final judgment to remain unsatisfied or of record for thirty (30) days or longer (unless superseded as bond is filed), or has execution levied against Franchisee's business or property, or any suit is filed to foreclose any lien or mortgage against the premises or equipment and not dismissed within thirty (30) days; (ix) becomes insolvent or has a receiver appointed to take possession of Franchisee's business or property or any part thereof or makes a general assignment for benefit of creditors; (x) engages in public conduct that reflects materially and unfavorably upon the operation of the System, the reputation of the System, or the goodwill associated with the Proprietary Marks; provided that engaging in legitimate political activity (including testifying, lobbying, or otherwise attempting to influence legislation) shall not be grounds for termination; (xi) is in default under any other franchise agreement or other agreement with Franchisor or any of its Affiliates which is not curable, or, if such default is curable, has not cured such default within the applicable cure period; or (xii) or any Affiliate defaults under any franchise agreement or other agreement with Franchisor or any of its Affiliates which is not curable, or if such default is curable, has not cured such default within the applicable cure period.

C. At Franchisor's option, without notice, in the event Franchisee shall become bankrupt or become subject to a proceeding under any chapter of the United States Bankruptcy Code, unless Franchisee shall: (i) timely undertake to reaffirm the obligations under the Agreement, (ii) timely comply with all conditions as legally may be imposed by Franchisor upon such an undertaking to reaffirm the Agreement, and (iii) timely comply with such other conditions and provide such assurance as may be legally required in or under relevant provisions of the United States Bankruptcy Code; provided, however, that the parties acknowledge that this Agreement constitutes a personal services contract made in reliance on the qualifications and personal characteristics of Franchisee and its directors, officers, managers, shareholders, members, or partners, as the case may be, and in the expectation of a material degree of personal involvement in the management and operation of the Franchised Business, and consequently, the parties agree that any attempt by any other party, including a trustee in bankruptcy or any other third party, to assume or accept a transfer or assignment of this Agreement shall be void, and that in no event shall this Agreement or any rights or duties of Franchisee hereunder, be transferred to any individual or entity who does not comply with all requirements for transfer specified in this Agreement.

D. At the election of Franchisor, effective upon the expiration of thirty (30) days after giving of written notice ten (10) days in the case of non-payment of any Payment or other financial obligation), in the event Franchisee defaults, and does not cure to Franchisor's reasonable satisfaction within the thirty (30) day (or ten (10) day) notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual, or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any 6-month period, and any subsequent occurrence of the same or substantially similar default within such 6-month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure.

14.2 Forbearance is Not Waiver. No forbearance of Franchisor from asserting any default or giving any permitted notice of termination shall constitute a waiver of such default or right to terminate or an estoppel against such right as to any continuing default or subsequent occurrence of a default, whether similar or dissimilar in nature to the prior default. The rights of Franchisor to terminate this Agreement are in addition to, and not in lieu of, other remedies available at law or equity for defaults by Franchisee in the payment and performance of its obligations hereunder.

14.3 Purchase Option. Upon termination or expiration of this Agreement for any reason, Franchisor will have the option, exercisable by giving written notice to Franchisee within thirty (30) days from the effective date of termination or expiration, to purchase the Franchised Business and assume any or all of Franchisee's agreements relating to the Franchised Business. Assets of the Franchised Business will include without limitation, site agreements, leasehold improvements, equipment, fixtures, furniture, furnishings, signs, inventory and assignable licenses. Franchisor will have the right to assign this option. Franchisor or its assignee will be entitled to all customary warranties, representations and pro rations in connection with its asset purchase. Franchisee shall cooperate with Franchisor in obtaining any necessary lessor or other consents.

A. Once Franchisor gives notice that it will purchase the assets of the Location, it shall have the right immediately to take over the operation of the Franchised Business. From the date Franchisor takes over the Franchised Business to the date of closing the purchase of such assets, Franchisor shall be entitled to use revenues of the Franchised Business to operate the Franchised Business and to retain as its management fee 10% of the balance of such gross sales.

B. The purchase price for the assets of the Franchised Business shall be determined by an appraiser appointed by Franchisor. At Franchisee's option and expense, Franchisee may appoint a separate appraiser to also determine the purchase price. If the higher of the two prices does not exceed the lower by more than 10% of the lower price, the purchase price shall be 105% of the lower purchase price. If the higher of the two prices exceeds the lower by more than 10% of the lower price, the two appraisers shall select a third appraiser, to be paid for by Franchisee, who shall determine the purchase price. Each appraiser shall determine the purchase price within thirty (30) days of his or her appointment. All the appraisers must be members of the Appraisal Institute. If the purchase price is not acceptable to Franchisor, it may withdraw its offer to purchase by written notice to the Franchisee. Franchisor shall have ten (10) days from the determination of the final purchase price, to determine whether to purchase the Location assets.

C. The purchase price shall be paid in cash at the closing of the purchase, by means of check, wire transfer or electronic funds transfer, which shall take place no later than ninety (90) days after Franchisee's receipt of notice of Franchisor's exercise of the option to purchase, at which time Franchisee must deliver instruments transferring to Franchisor or its assignee: (1) good and marketable title to the

assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; and (2) all licenses to the Location and/or 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 closing of the sale shall be accomplished through an escrow. Franchisor will have the right to set off against and reduce the purchase price by any and all amounts owed by Franchisee to Franchisor, the amount of any encumbrances or liens against the assets, and any liability of Franchisee assumed or paid for by Franchisor.

14.4 Temporary Removal from Marketing and Sales Channels. If Franchisee's default is such that, in Franchisor's sole judgment, the Franchised Business does not fairly represent the quality and standards of the System, Franchisor may, temporarily in lieu of termination, remove the Franchised Business from marketing and registration channels generally available to all Ginger Ale's® locations such as online ordering systems, and other marketing and adverting programs and sales channels then in use. Because fees charged by Franchisor for the Brand Development Fund are generally set to cover the cost of the channels, Franchisee shall continue to pay such fees, so that Franchisee's default does not negatively impact other Franchisor franchisees. Franchisor's removal of the Franchised Business from generally available marketing and sales channels will not constitute a waiver of Franchisor's right to terminate this Agreement due to the underlying default.

14.1 Temporary Management by Franchisor. In the event of any default under this Agreement, in order to prevent any interruption of the Franchise Business, which Franchisee agrees would cause harm to the Location and the System, Franchisee authorizes Franchisor or its agents and Affiliates to operate the Location for so long as Franchisor deems necessary and practical in its sole discretion. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor and its agents, in an amount equal to ten percent (10%) of Franchisee's Adjusted Gross Sales, will be charged to this separate account. Nothing in this Section is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Section may be exercised or not exercised in Franchisor's sole and absolute discretion.

Article 15. Obligations Upon Termination.

15.1 Upon expiration or termination of this Agreement for any reason:

A. All rights granted hereunder to Franchisee shall terminate;

B. Franchisee shall immediately and permanently cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent itself to the public or hold itself out as a Franchisee of Franchisor;

C. Franchisee shall immediately and permanently discontinue the use of all Proprietary Marks, all similar names and marks, or any other designation or mark indicating or tending to indicate that Franchisee is or was a Franchisee of Franchisor. Franchisee shall promptly amend or terminate any filings or registrations with any governmental authorities containing or pertaining to the use of Franchisor's name and Proprietary Marks. Franchisee shall not promote or advertise the fact that it was formerly a Franchisee of Franchisor;

D. Franchisee shall surrender and transfer to Franchisor or its designee any and all rights to use the telephone numbers, other business listings, and social media accounts and all other accounts and pages in any form of Online Presence used by Franchisee for the Franchised Business. Franchisee agrees

to cooperate and execute any and all documents required to affect transfer of the telephone numbers and other business listings from Franchisee to Franchisor or its designee.

E. Franchisee shall immediately turn over to Franchisor all materials, including, without limitation, the Manual (in whatever form Franchisee may have) and all other manuals, all customer and supplier lists, marketing materials, recipes, instructions, any Online Presence references and brochures, and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession, custody, or control, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of the foregoing, excepting only Franchisee's copy of this Agreement and of any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law;

F. Franchisee shall immediately and permanently discontinue all advertising as a Franchisee of Franchisor, including but not limited to removal of all signs and other identifying marks and colors, and shall destroy or surrender to Franchisor any letterheads, forms, printed matter, and advertising containing Franchisor's Proprietary Marks and any similar or related names marks or designations tending to indicate that Franchisee is or was an authorized Franchisee of Franchisor;

G. Franchisee shall, at its expense, immediately make such modifications or alterations as may be necessary to distinguish the Location so clearly from its former appearance and from other System Locations as to prevent any possibility of confusion therewith by the public, and to prevent the operation of any business at the location of the Location by Franchisee or others in derogation of this Article (including, without limitation, removal of all distinctive physical and structural features identifying Location in the System including, without limitation, removal of all signs and emblems, and changing of telephone numbers and other directory listings). Franchisee shall, at Franchisee's expense, immediately make such specific additional changes as Franchisor may reasonably request for this purpose. Franchisee agrees that for ninety (90) days following termination or expiration, Franchisor or its designated agents may enter the Location and adjacent areas, and hereby grants Franchisor an irrevocable license and permit to go upon the Location premises for such purposes, at any time to make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others. Franchisee acknowledges that such actions by Franchisor are authorized and permitted and shall not be deemed a violation of any civil or criminal law or any basis for an action under such laws by Franchisee or others. Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to Franchisor, and consents to entry, at Franchisee's expense, of an ex parte order by any court of competent jurisdiction authorizing Franchisor or its agents to take such action, if Franchisor seeks such an order;

H. Franchisee shall immediately and permanently cease using Franchisor's System, including, but not limited to the Manual, any other operating or training manuals or aids, intranet, advertising and promotional materials, and all confidential material delivered to Franchisee pursuant to this Agreement;

I. Within ten (10) days following termination of expiration, Franchisee shall provide Franchisor with an inventory of all items in the Location. Franchisor shall have the right, at its sole option, for a period of sixty (60) days following receipt of such inventory list, to purchase at fair market value all usable materials owned by Franchisee bearing the Proprietary Marks, and/or to purchase Franchisee's supplies, FF&E and signage used in the Location or at the Approved Location at their fair market value. Franchisee shall not during such sixty (60) day period remove from the Location or the Approved Location, transfer, assign, hypothecate, pledge, or otherwise encumber such FF&E or moveable signs;

J. Franchisee shall within ten (10) days from termination or expiration pay all sums owing to Franchisor and its affiliates. In the event of termination for any default of Franchisee, such sums shall

include payment of all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property (including, without limitation, signage, equipment, furnishings, furniture, and supplies) owned and used by Franchisee in connection with the Location at the time of default and

K. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

L. In order to prevent any interruption of the franchise business, which Franchisee agrees would cause harm to the Location and the System, if Franchisee is unable to operate the business for any reason whatsoever, Franchisee authorizes Franchisor or its agents and Affiliates to operate the Location for so long as Franchisor deems necessary and practical in its sole discretion. All income from the operation of the business will be kept in a separate account, and the expenses of the business, including reasonable compensation and expenses of Franchisor and its agents, in an amount equal to ten percent (10%) of Franchisee's Adjusted Gross Sales, will be charged to this separate account. Nothing in this Section is intended to require Franchisor to operate the business in the event of Franchisee's inability, and the rights described in this Section may be exercised or not exercised in Franchisor's sole and absolute discretion.

15.2 Liquidated Damages. The parties recognize the difficulty of ascertaining damages to Franchisor resulting from premature termination of this Agreement and have provided for Liquidated Damages, which Liquidated Damages represent the parties' best estimate as to the damages arising from the circumstances in which they are provided and which are the only damages for the premature termination of this Agreement and not as a penalty or as damages for breaching this Agreement or in lieu of any other payment. Accordingly, if this Agreement is terminated pursuant to Sections 14.1.C or 14.1.E, or by Franchisee without cause, Franchisee shall pay to Franchisor within ten (10) days of termination a lump sum payment (as Liquidated Damages and not as a penalty or in lieu of any other payments required under this Agreement) equal to the total of all amounts required under Article 4 of this Agreement (including Initial Franchise Fees, Royalty Fees and Brand Development Fund Fees, Web Strategy, Technology and Intranet Fee, pro-rata marketing and advertising fees) for the twenty-four (24) calendar months of operation of the Location under the System immediately preceding Franchisee's default, or if there have not been twenty-four (24) full calendar months of actual operation under the System, then for the period of time the Location has been in actual operation under the System projected over a twenty-four (24) calendar months basis.

15.3 Obligations to Preserve Records. Termination of this Agreement shall not relieve Franchisee of the obligations under Article 10 hereof to maintain and preserve financial and other records and to make them available for inspection and audit by Franchisor.

15.4 Survival of Certain Provisions. All covenants, obligations, and agreements of Franchisee which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination or expiration of the term of this Agreement, including, without limitation, those set forth in Articles 14 and 15 of this Agreement shall survive such termination or expiration.

Article 16. Additional Covenants.

16.1 Responsibility for Operation of Franchised Business. Franchisee agrees and acknowledges that, prior to executing this Agreement, Franchisee has made such investigation of Franchisor and the System as Franchisee deems necessary, that Franchisee understands that the results of operations

of the Franchised Business are dependent upon the efforts and management of Franchisee, and Franchisee hereby assumes full responsibility for such operations.

16.2 No Fiduciary Relationship. It is understood and agreed by all parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name or on Franchisor's behalf, and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business, or any claim or judgment arising therefrom against Franchisor. Franchisee agrees that Franchisor is not in a position to, and does not undertake to, exercise control over the employment, supervision, or discharge of Franchised Business employees and except as is necessary to protect the quality of the System (brand) and of the products and services rendered at the Franchised Business has no right to do so; Location maintenance; customer safety and health; or other matters arising out of or affecting Franchised Business operations, which are within the responsibility of Franchisee as a qualified independent business operator. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the premises of the Franchised Business, and, as directed by Franchisor, in Franchisee's advertising and on Franchisee's agreements, forms, stationery, and promotional materials.

16.3 Method and Application of Payments. All payments to Franchisor hereunder shall be made payable to GA Franchising, LLC and, except as provided in the next sentence, shall be tendered to Franchisor in person at the address set forth in Article 18 below, by making such Payment by mail, postage prepaid, to that address, by wire transfer, electronic funds transfer, or such other payment method as directed by Franchisor, in each case as specified by Franchisor, and to an account or accounts specified by Franchisor. All Payments received by Franchisor from Franchisee shall be applied to the oldest obligation, regardless of any contrary designation by Franchisee. Franchisee agrees that Franchisee will not, on grounds of the alleged non-performance by Franchisor of any of its obligations hereunder, withhold payment of any royalties, marketing and advertising contributions, amounts due to Franchisor for purchases by Franchisee, or any other amounts due Franchisor.

16.4 Economic Sanctions and Anti-Terrorism Laws. Franchisee and its owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. Franchisee represents and warrants that neither it nor any of its direct or indirect owners, directors, officers, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Location and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) (**"Anti-Terrorism Laws"**). Franchisee and its owners may not engage in any activity that would expose us to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by Franchisee or its owners, or any blocking of Franchisee's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

Article 17. Approvals and Waivers.

17.1 Requests for Approval. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. Except as otherwise expressly provided herein, Franchisor may withhold any consent or approval herein at its discretion.

17.2 Franchisor's Discretion. Franchisor shall have no liability for withholding any consent or approval or for any delay or inaction in connection therewith, and the granting of any approval or consent shall not imply or constitute any representation, warranty, guaranty, or endorsement of the matter approved or consented to or an assumption of any liability in connection therewith.

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

Article 18. Notices.

Unless otherwise specifically stated elsewhere in this Agreement, any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, mailed by certified or registered mail, postage prepaid, return receipt requested, or sent via a nationally recognized overnight delivery service, to the respective parties at the following addresses or facsimile unless and until a different address or facsimile number has been designated by written notice to the other party:

NOTICES TO Franchisor:	GA FRANCHISING, LLC 308 W. Mack Avenue Olney, IL 62450 ATTN: Board Chair
NOTICES TO FRANCHISEE:	_____ _____ _____ _____ ATTN: _____

Any notice shall be deemed to have been given at the earlier of actual receipt or three business days after mailing by certified or registered mail, or one business day after sending by facsimile or overnight delivery service.

Article 19. Dispute Resolution.

19.1 Mediation. In the event of any unsettled claims, disputes, or controversies between Franchisor and Franchisee, and other matters arising between them relating to this Agreement, the dealings or relationship between them, or Franchisee's development or operation of the Franchised Business (**"Dispute"**), either party has the option of initiating a mediation procedure by submitting a written request for mediation to the American Arbitration Association in accordance with the Commercial Mediation Rules.

A. The mediation process shall begin promptly, but in no event later than thirty (30) days after cessation of negotiations between the parties, and shall be concluded within thirty (30) days of the day the request for mediation is made, unless the parties mutually agree otherwise.

B. Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to each other party and to the mediator. The mediator shall be neutral and impartial. The mediator's fees shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert, or counsel for either party with respect to the matters in Dispute and any related matters.

C. Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions, or terms of settlement. Nothing said or done or provided by the parties in the course of mediation shall be reported or recorded or, except as ordered by a court of competent jurisdiction, placed in any legal proceeding or construed for any purpose as an admission against interest. Nevertheless, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in mediation.

D. All mediation proceedings shall take place in the city where Franchisor maintains its principal place of business at the time of the mediation.

E. The commencement of any mediation shall not act to prevent either party from instituting or proceeding with any action which may be the subject of the Dispute.

19.2 Temporary Restraining Orders and Injunctive Relief. Notwithstanding anything to the contrary contained in this Article, Franchisee and Franchisor each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee acknowledges that a proper case to obtain temporary restraining orders and temporary or permanent injunctive relief from a court of competent jurisdiction shall include, but not be limited to, the following:

A. Any Dispute involving actual or threatened disclosure or misuse of the contents of the Manual or any other confidential information or Trade Secrets of Franchisor;

B. Any Dispute involving the ownership, validity, use of, or right to use or license the Proprietary Marks;

C. Any action by Franchisor to enforce the covenants set forth in Article 11 and Article 13 of this Agreement; and

D. Any action by Franchisor to stop or prevent any threat or danger to public health or safety resulting from the construction, maintenance, or operation of the Location. The provisions of this Article 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.

19.3 Litigation. The parties hereby agree that in view of the fact that the books, records, and business personnel of Franchisor are located, for the most part, in Olney, Illinois, and in order to minimize disruption or interference with operation of the franchise system as a whole, the parties agree as follows:

A. Any and all court proceedings arising from or relating in any manner to any dispute between Franchisor and Franchisee arising out of, relating to or referencing this Franchise Agreement or

its breach in any way, shall be brought in, and only in, any state court of general jurisdiction sitting in the county and state, or in the United States District Court for the district, in which Franchisor has its principal place of business at the time any such action is instituted, and Franchisee irrevocably submit to the jurisdiction of such courts and waive any objection Franchisee may have to either the jurisdiction or venue of such court. No individual shall be joined as a party to such proceedings if such joinder has the effect of destroying federal court jurisdiction unless that individual or entity is a necessary party to the proceeding as a matter of law.

B. THE PARTIES AGREE THAT ALL DISPUTES ADMITTED TO THE COURT PURSUANT TO THIS PROVISION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

C. NO PUNITIVE OR EXEMPLARY DAMAGES SHALL BE AWARDED AGAINST EITHER FRANCHISOR OR FRANCHISEE OR ANY AFFILIATES OF EITHER OF THEM, IN ANY PROCEEDING, AND ALL CLAIMS TO SUCH DAMAGES ARE HEREBY WAIVED.

19.4 Statute of Limitations. Franchisor and Franchisee agree that no form of action or proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless the proceeding is brought before the expiration of the earlier of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation; or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation. Notwithstanding the foregoing, where state or federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply in all cases, in lieu of the time specified in (i) or (ii) above.

19.5 Franchisor's Business Judgment. The parties hereto recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe the right of Franchisor to take (or refrain from taking) certain actions in the exercise of its discretion based on its assessment of the overall best interest of the network and/or franchise program. Where such discretion has been exercised, and is supported by the business judgment of Franchisor, neither a mediator nor a judge shall substitute his or her judgment for the judgment so exercised by Franchisor.

19.6 Legal Fees. In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Franchisee hereunder, or to defend against any claim, demand, action or proceeding by reason of Franchisee's failure to perform or observe any obligation imposed upon Franchisee by this Agreement, then Franchisor shall be entitled to recover from Franchisee the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Franchisee hereunder or thereafter or otherwise.

19.7 No Class Actions. Any disagreement between Franchisee and Franchisor (and Franchisor's affiliates) will be considered unique as to its facts and must not be brought as a class action, and Franchisee waives any right to proceed against Franchisor (and Franchisor's affiliates, stockholders, officers, directors, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff, consolidated or collective action.

Article 20. Construction and Modification.

20.1 Entire Agreement and Amendment. Franchisor and Franchisee each acknowledge and warrant to each other that they wish to have all terms of their business relationship defined

in this written Agreement. Neither Franchisor nor Franchisee wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, Franchisor and Franchisee agree that this Agreement, together with any other documents or agreement executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as presentations, inducements, promises, agreements, or any other term), between Franchisor or anyone acting on its behalf and Franchisee or anyone acting on his or her behalf, which might be taken to constitute agreements, representations, inducements, promises, or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and Franchisor and Franchisee each agree that they have placed, and will place, no reliance on any such discussions, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights, and obligations of the parties with respect to any aspect of the relationship between the parties. No future franchise license rights or offer of franchise license rights have been promised to Franchisee and no such franchise license rights or offer of franchise license rights shall come into existence, except by means of a separate writing, executed by an officer of Franchisor or such other entity granting the Franchise Agreement and specifically identified as a modification of this Agreement. No change, modification amendment or waiver of any of the provisions hereof, including by custom or usage of trade or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto, and signed by the party to be charged.

20.2 Governing Law. This Agreement is governed by and shall be interpreted and construed in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law provisions.

20.3 Survival. Should any one or more parts of this Agreement be declared invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portions of the Agreement, which shall remain in full force and effect as if the Agreement had been executed without such invalid parts, except to the extent the absence of the provisions invalidated would frustrate or make it impossible to achieve the purposes for which the Agreement was made. Should the requirements of any applicable law or regulation change or modify the terms of this Agreement or conflict with its provisions, such change or modification shall not be applicable to this Agreement unless such change is lawfully mandated by the authority making the same, in which case only the provisions affected by such law or regulation shall be affected, and the Agreement shall otherwise remain in full force and effect, as modified to be consistent with such law or regulation.

20.4 Third Party Beneficiaries. This Agreement is made solely for the benefit of the parties hereto and their respective successors and permitted assigns, and except as otherwise nothing herein shall create any right to rely upon the terms hereof in favor of any third party nor confer any right or remedy upon any third party, except as specifically provided in Section 11.2 of this Agreement.

20.5 Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provisions hereof.

20.6 Gender. All terms and words used in this Agreement, regardless of numbers and genders in which they are used, shall be deemed to include singular or plural and all genders as the context or sense of this Agreement or any paragraph or clause herein may require.

20.7 Joint and Several. All acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

20.8 Time is of the Essence. Time is of the essence of this Agreement and all provisions hereof shall be so interpreted. Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive such termination or expiration.

20.9 Remedies not Exclusive. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

Article 21. Execution of Agreement.

21.1 Multiple Counterparts. This Agreement may be executed in counterparts, which together shall constitute one agreement of the parties. Delivery of an electronic signature or an executed signature page by electronic transmission is as effective as delivery of an original signed counterpart.

21.2 Timely Receipt and No Inconsistent Warranties or Representations. By signing this Agreement, Franchisee acknowledges that it has received a complete copy of this Agreement, with any Exhibits referred to herein attached, at least seven (7) calendar days prior to the date on which this Agreement was executed, and further acknowledges that it has received Franchisor's franchise disclosure document at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any money paid, or by such earlier date as may be required by state law. Franchisee further acknowledges that no agent or employee of Franchisor is authorized to make any representation or warranty inconsistent with or in addition to the terms of this Agreement. By signing this Agreement, Franchisee represents and warrants to Franchisor that no such representation or warranty, including specifically any representation as to the potential success or profitability of the Franchised Business, has been made or relied upon.

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

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

"Franchisor"	**"Franchisee"**
GA FRANCHISING, LLC, An Illinois limited liability company	**[FRANCHISEE],** **A _____**
_____	_____
BY: _____	BY: _____
ITS: _____	ITS: _____

FRANCHISEE GUARANTY

In consideration of, and as an inducement to GA FRANCHISING, LLC ("Franchisor"), to enter into the foregoing Franchise Agreement with _____ ("Franchisee") dated _____, 20__ ("Franchise Agreement"), the undersigned individually and, if more than one Guarantor, jointly and severally, guarantee the punctual payment and performance of all obligations of the Franchisee under the Franchise Agreement. This shall be an unconditional, irrevocable, and continuing guaranty for the entire term of this Guaranty and the Franchise Agreement.

The undersigned agree that they are willing to remain fully bound by this Guaranty notwithstanding any action or inaction of Franchisor and Franchisee in connection with the Franchise Agreement, and that their obligation shall not be modified, waived, or released by any modification, amendment, or departure from the terms of the Franchise Agreement, or by any forbearance, extension of time, waiver, or release granted by Franchisor to Franchisee or any Guarantor or with respect to any security held by Franchisor. The undersigned expressly waive any notice of all such matters (including, without limitation, notice of amendment or modification of the Franchise Agreement, notice of demand for payment or performance by Franchisee, notice of default or termination, and any other notices required by the Franchise Agreement) and agree to pay and perform the obligations of Franchisee without notice or demand from Franchisor and without any requirement that Franchisor first proceed against Franchisee or any other Guarantor.

This Agreement is governed by and shall be interpreted and construed in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law provisions.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty as of the date of the Franchise Agreement.

WITNESS:	GUARANTOR:
_____	_____
	PRINT NAME: _____
WITNESS:	GUARANTOR:
_____	_____
	PRINT NAME: _____

OWNERS' ACKNOWLEDGEMENT

Each following party is an owner of Franchisee. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an owner of Franchisee mentioned in this Agreement, including rights and obligations relating to confidentiality, competition, and transfers.

sign here if the owner is an entity

_____

By: _____

Name: _____

Its: _____

Percentage Ownership:_____

sign here if the owner is an individual

_____

Print name: _____

Percentage Ownership:_____

sign here if the owner is an entity

_____

By: _____

Name: _____

Its: _____

Percentage Ownership:_____

sign here if the owner is an individual

_____

Print name: _____

Percentage Ownership:_____

sign here if the owner is an entity

_____

By: _____

Name: _____

Its: _____

Percentage Ownership:_____

sign here if the owner is an individual

_____

Print name: _____

Percentage Ownership:_____

Exhibit A

GA FRANCHISING, LLC

FRANCHISE AGREEMENT

Approved Location

Street Address: _____

City:_____ State:_____ Zip Code: _____

Exhibit B

GA FRANCHISING, LLC

FRANCHISE AGREEMENT

Owners of Franchisee

NAME OF OWNER	**VOTING RIGHTS IN FRANCHISEE**	**BENEFICIAL INTEREST IN FRANCHISEE**
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	100%	100%

OPERATING PRINCIPAL: _____

Exhibit C

GA FRANCHISING, LLC

FRANCHISE AGREEMENT

Protected Area Map

[Insert Map Here]

Exhibit D

GA FRANCHISING, LLC

SITE TO BE DETERMINED ADDENDUM

THIS SITE TO BE DETERMINED ADDENDUM TO FRANCHISE AGREEMENT ("Addendum") is made and entered into at _____, Illinois this ____ day of _____, 20_____, by and between GA Franchising, LLC, an Illinois limited liability company (hereinafter referred to as "Franchisor"), and _____ (hereinafter referred to as "Franchisee") whose principal business address is _____.

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Franchise Agreement") of even date hereof; and

WHEREAS, the location where Franchisee shall construct a Location under the Franchise Agreement has not yet been identified;

NOW, THEREFORE, the parties agree as follows:

The following provisions shall amend and be incorporated into the Franchise Agreement. In the event of any conflict between the terms of the Franchise Agreement and the terms of the Addendum, the terms of this Addendum shall control. All capitalized terms not defined in this Addendum shall have the respective meanings set forth in the Franchise Agreement.

1. Notwithstanding anything to the contrary in the Franchise Agreement, the parties agree, that Franchisee shall select an approved Trade Area or market for approval by Franchisor no later than on _____, and that Franchisee shall submit a completed Site Application for a location located within such Trade Area to Franchisor on or before _____. Such Trade Area or market must be in a state where Franchisor is registered to offer and sell franchises. Franchisee's failure to meet either one of these deadlines shall constitute a default under the Franchise Agreement allowing Franchisor to terminate the Franchise Agreement effective immediately upon notice of termination.

2. Notwithstanding anything to the contrary set forth in Article 5.3 of the Franchise Agreement, Franchisee shall Commence Construction no later than 60 days after the proposed site is approved by Franchisor.

3. To the extent not amended herein, all other terms and conditions of the Franchise Agreement shall remain in full force and effect. No references to the amendments contained herein need be made in any instrument or document at any time referring to the Franchise Agreement and any such reference is deemed to be a reference to the Franchise Agreement as amended by this Addendum.

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

"Franchisor"	**"Franchisee"**
GA FRANCHISING, LLC, An Illinois limited liability company	**[FRANCHISEE],** **A _____**
_____	_____
BY: _____	BY: _____
ITS: _____	ITS: _____

Exhibit E

GA FRANCHISING, LLC
FRANCHISE AGREEMENT

DIRECT DEBIT AUTHORIZATION AGREEMENT

_____(Name of Person or Legal Entity)
_____ (ID Number)

The undersigned depositor ("**Depositor**") ("**Franchisee**") hereby authorizes GA FRANCHISING, LLC ("Franchisor") or any of its affiliates to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

Depository	Branch	
City	State	Zip Code
Bank Transit/ABA Number	Account Number	

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

Depositor	Depository
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT F

GA FRANCHISING, LLC
CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 20__ by and between _____ ("Recipient"), and GA FRANCHISING, LLC, an Illinois limited liability company ("Franchisor").

A. Recipient desires to review certain confidential and proprietary information regarding Franchisor, its affiliates, and/or its franchisees (collectively the "Disclosing Parties"), for the purpose of evaluating whether to directly or indirectly enter into a business relationship with Franchisor (the "Contemplated Relationship"); and

B. Franchisor desires to disclose certain confidential and proprietary information to Recipient, but only pursuant to the terms of this Agreement.

In consideration of the covenants and premises herein contained, and for other good and valuable consideration received, it is hereby agreed as follows:

1. Recipient acknowledges and agrees that all Covered Information (defined below) it receives from Franchisor, its affiliates, or franchisees is confidential and proprietary information. For purposes of this Agreement, "Covered Information" includes, by way of example, but without limitation, data, know-how, processes, designs, sketches, photographs, plans, drawings, specifications, reports, financial information, customer lists, pricing information, other information about advertising, marketing, designs and methods of operation, studies, findings, inventions, and ideas. Recipient agrees that any information received from Franchisor, its subsidiaries, affiliates, or franchisees (a) shall only be used for purposes of evaluating whether Recipient desires to directly or indirectly enter into a business relationship with Franchisor, and (b) shall not be disclosed to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Covered Information to any third party, and further agrees to limit the dissemination of the Covered Information within its own organization to individuals whose duties justify the need to know such information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Covered Information and to restrict its use solely to the purposes specified herein.

2. All Covered Information remains the exclusive property of Franchisor or the Disclosing Parties, and nothing contained in this Agreement may be construed as a grant, express or implied or by estoppel, of a transfer, assignment, license, or lease of any right, title, or interest in the Covered Information, other than as the limited right of use stated herein. Recipient agrees that the amount of Covered Information to be disclosed to Recipient is completely within the discretion of Franchisor. Nothing in this Agreement requires either party or its owners to enter into the Contemplated Relationship or to negotiate a Contemplated Relationship for any specified period of time or otherwise.

3. The Parties agree that notwithstanding the termination of this Agreement, the Recipient's obligations hereunder will survive for five (5) years after the Effective Date. If either party determines that it does not wish to proceed with a Contemplated Relationship or if either party notifies the other party of a termination of this Agreement, then Recipient will destroy or return all written materials, documents, or other Covered Information received from Franchisor, its affiliates, subsidiaries, or franchisees, or any notes, photos, or derivatives works thereof. Additionally, the Recipient will certify to Franchisor in writing that it has complied with the obligations of this Section.

4. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

5. The definition in Section 1 of Covered Information is for illustrative purposes only. The Recipient of the Cover Information must perform its own due diligence when evaluating the Contemplated Relationship, and Franchisor or other Disclosing Parties will not be liable for the Recipient's failure to do so. Recipient must rely solely on its own investigation and not on information provided by Franchisor.

6. Franchisor does not guarantee or warranty the accuracy or completeness of the Covered Information. Some Covered Information may have been obtained or gathered by third parties and Franchisor has not performed any independent investigation or verification of such Covered Information. The Covered Information is being provided on an "AS IS" "WHERE IS" basis and Franchisor does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, including, without limitation, warranties of merchantability, fitness for a particular purpose, non-infringement or intellectual property rights or other warranties, conditions, guarantees or representations, whether express or implied.

Any financial information included in the Covered Information is not a guarantee or otherwise indicative of potential success, profitability, or any particular level of return from the Contemplated Relationship, if consummated. Many factors would impact the success and profitability of the Contemplated Relationship, including without limitation site selection, local economic conditions (which conditions may change over time), and the Recipient's business acumen, management skill, and experience.

The Covered Information does not constitute an offer to become a franchisee or to sign any agreement or an offer to enter the Contemplated Relationship. Entering the Contemplated Relationship will be subject to, among other things, the execution of a franchise agreement and certain other collateral agreements and the payment of certain fees. Franchisor's provision of the Covered Information, and the Recipient's acceptance of it, does not obligate either party to enter into the Contemplated Relationship.

7. This Agreement will be governed and construed in accordance with the laws of the State of Illinois, excluding its conflicts of law principles. Any legal action or proceeding arising out of or related to this Agreement must be brought in a state or federal court the county where Franchisor has its principal place of business. Each party submits itself to the jurisdiction of such courts. However, a party may seek to enforce an order or judgment of any such court in any other court of competent jurisdiction.

8. This Agreement constitutes the entire agreement and understanding among the parties hereto and shall not be amended except pursuant to a written agreement executed by each of the parties hereto. This agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors, and assigns. This Agreement may be signed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day, month, and year first above written.

"Franchisor"	**"Franchisee"**
GA FRANCHISING, LLC, An Illinois limited liability company	**[FRANCHISEE],** **A _____**
_____	_____
BY: _____	BY: _____
ITS: _____	ITS: _____

EXHIBIT G

COVENANT AGREEMENT

THIS COVENANT AGREEMENT (this "Agreement") is entered into as of the ___ day of _____, 20__, by and among GA FRANCHISING, LLC ("Franchisor") and _____, _____, and _____ (whether one or more "Covenantors").

W I T N E S S E T H:

WHEREAS, Covenantors have agreed to enter into this Agreement to induce Franchisor to enter into that certain Franchise Agreement ("Franchise Agreement") dated _____, 20__, between Franchisor and _____ ("Franchisee"); and

WHEREAS, Covenantors and its Affiliates have entered into, or may in the future enter into other franchise agreements with Franchisor ("Other Agreements");

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the Covenantors covenant and agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the same meaning as defined in the Franchise Agreement.

2. The Covenantors shall not, either directly or indirectly, individually, or through, or on behalf of, or in conjunction with any person, persons, or entity:

a. During the term of the Franchise Agreement, the Other Agreements and thereafter, except as otherwise approved in writing by Franchisor, copy or disclose to any person other than Franchisee's employees (and then only to employees who have a need to know) (i) any Trade Secrets, (ii) any knowledge, information or know-how concerning the System, or (iii) all or any portion of the Manual or any other confidential materials, including without limitation, the design of the System Locations, methods of operation and service at System Locations, intranet, knowledge of sales and profit performance at any one or more System Locations, and advertising and promotional programs, advertising, promotion and marketing techniques, the selection and training of Location managers and, in general, methods, techniques, formulas, formats, specifications, procedures, information systems and knowledge, in the operation and licensing of System Locations, or other materials deemed confidential by Franchisor. Covenantors shall at all times treat the Trade Secrets and Manual and the information contained therein as confidential and shall use all reasonable efforts to maintain such information as secret and confidential and shall use the same only in the operation of the Location. The Trade Secrets and Manual shall at all times remain the sole property of Franchisor and shall be returned to Franchisor immediately upon expiration or termination of this Agreement. Any and all information, knowledge, know-how, and other data, that Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Covenantors can demonstrate came to their attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Covenantors, had become a part of the public domain, through publication or communication by others.

b. During the term of the Franchise Agreement or any Other Agreement, compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or

otherwise, in any Competitive Business, and, for a period of two (2) years after any transfer or termination of any Franchise Agreement or any Other Agreement for any reason, Covenantors shall not compete, or be associated, directly or indirectly as an owner, officer, director, employee, consultant, or otherwise, in any Competitive Business that is located within the continental United States. For purpose of this Section 2, the term "Competitive Business" means cafes, coffee shops, ice cream shops, restaurants, and any other business, for which 25% or more of revenue is derived from the sale, whether retail or wholesale, of beverage flavorings, shakes, smoothies, fountain drinks, lemonade, coffee/tea and coffee/tea drinks, or that is otherwise similar to the business operated under the Franchise Agreement; provided, however, that passive ownership of less than 2% of the outstanding voting securities of a publicly held corporation (which for purposes of this Agreement means a corporation registered under the Securities Exchange Act of 1934) shall not be deemed a violation of this Section.

c. During the term of the Franchise Agreement or any Other Agreement, employ or seek to employ any person who is or was within the immediate past six (6) months employed in a management capacity by Franchisor, any other System franchisee (except for System franchisees who are Affiliates of any Covenantor, or induce or seek to induce any such person to leave his or her employment. Franchisor shall not employ or seek to employ any person who is or was within the immediate past six (6) months employed by Franchisee or induce or seek to induce any such person to leave his or her employment. Any party violating the provisions of this Section 2.c shall pay to the former employer as liquidated damages (which the parties agree are difficult of ascertainment) an amount equal to two (2) times the annual salary of the employee involved, plus all costs and attorneys' fees incurred by the former employer in connection with such default. The parties hereto agree that each current and future Franchisee in the System shall be a third party beneficiary of the provisions of this Section 2.c, and shall be entitled to enforce the provisions hereof. Franchisor shall have no obligation to enforce the provisions of this Section 2.c for the benefit of any current or future franchisee in the System.

3. In the event any provision of this Agreement is deemed by a court of competent jurisdiction to be more restrictive than permissible at law or equity, the Covenantors agree that the provisions hereof may be reformed and modified and enforced by such court to the maximum extent permissible under applicable law and principles of equity. Covenantors agree that specific performance and injunctive relief are necessary and appropriate remedies for violations of this Agreement and agrees to enforcement of such remedies, but without prejudice to the right of Franchisor to recover money damages, which are in no event a full and adequate remedy for such violations.

4. The Covenantors agree that the existence of any claim that any of them may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of this Agreement or the covenants contained in Article 11 of the Franchise Agreement. In the event that Covenantors commence any action against Franchisor arising out of or related to this Agreement, or the dealings or relationship of the parties hereunder or otherwise, such action shall be brought only in any state court of general jurisdiction sitting in the county and state, or in the United States District Court for the district, in which Franchisor has its principal place of business at the time any such action is instituted. Covenantors consent to the exercise of jurisdiction by such courts over any claims or counterclaims against Covenantors. In the event Franchisor incurs legal fees or costs or other expenses to enforce any obligation of Covenantors hereunder, or to defend against any claim, demand, action or proceeding by reason of Covenantors' failure to perform or observe any obligation imposed upon Covenantors by this Agreement, then Franchisor shall be entitled to recover from Covenantors the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether

incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any obligation of Covenantors hereunder or thereafter or otherwise.

5. This Agreement and the documents provided for herein contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements, and understandings with respect thereto, provided, however, that nothing in this Agreement or any related document is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee. This Agreement may only be amended by a written document duly executed by all parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to the rules governing conflicts of law. This Agreement shall inure to the benefit of and shall be binding upon the respective successors, heirs, administrators, executors, personal representatives, trustees, and assigns of the parties hereto. This Agreement may be executed in multiple counterparts, each considered an original, but all of which shall constitute but one Agreement. Capitalized used herein but not defined shall have the meaning set forth in the Franchise Agreement between Franchisor and Franchisee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

GA FRANCHISING, LLC

_____

Name: _____

Title: _____

"COVENANTORS" (each in their individual capacity):

_____

Name: _____

_____

Name: _____

_____

Name: _____

EXHIBIT H

ADDENDUM TO LEASE

This Addendum to Lease ("Addendum") entered into this _____ day of _____, 20__, by and between _____ ("Franchisee") and _____ ("Landlord") for the premises located at _____;

WHEREAS, Franchisee has executed a Franchise Agreement ("Franchise Agreement") with GA Franchising, LLC ("Franchisor"), and as part of said Franchise Agreement, the lease ("Lease") for the franchised Ginger Ale's ("Restaurant") must contain certain provisions; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, Landlord and Franchisee hereby agree as follows:

1. Landlord agrees that Franchisee will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of Franchisor.

2. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease at the same time that such letters and notices are sent to Franchisee. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Franchisor 30 days' advance written notice of such intent, specifying in such notice all defaults that are the case of the proposed termination. Franchisor will have after the expiration of the period during which Franchisee may cure such default, an additional 15 days (or if there is no cure period, at least 15 days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not obligation, upon giving written notice of its election to Franchisee and Landlord, to cure the breach and succeed to Franchisee's rights under the Lease, and any renewals or extensions thereof.

3. Upon default, expiration or termination of the Franchise Agreement or the Lease, and upon notice to Landlord, Franchisor or its designee will have the option, without however any obligation, to assume the Franchisee's obligations under the Lease, on the same terms and conditions available to the Franchisee. Further, if Franchisee or any other party with an interest in Franchisee transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, the Franchisee or the Restaurant, the transferee will have the right to assume the Lease on the same terms and conditions as are contained in the Lease.

4. Franchisor will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor's interest in its proprietary marks. Landlord agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

5. Franchisee may assign to Franchisor all of its rights of further assignment at any time if the Landlord is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

6. Upon request of Franchisor, the Landlord will provide Franchisor with copies of all reports, information, or data in Landlord's possession with respect to sales made from the leased premises.

7. Copies of any and all notices pertaining t the Lease will also be sent to Franchisor at the following address, or at such other address as may be designated by Franchisor in writing:

308 West Mack Avenue
Olney, Illinois 62450

8. Franchisor will be a third-party beneficiary of this Addendum and has the right independently of Franchisee to enforce all of its rights hereunder.

9. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Addendum will govern.

"FRANCHISEE"	"LANDLORD"
_____	_____
By:_____	By:_____
Its:_____	Its:_____

EXHIBIT I

STATE ADDENDUM

[Insert state addendum, if applicable]

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 will I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to support my business?	Item 21 and Exhibit F include financial statements. Review these statements carefully.
Is the franchise system stable and growing or shrinking?	Item 20 summarizes the 3-year history of the number of company-owned and franchised outlets.
Will my business be the only Ginger Ale's business in my market?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings
What's it like to be a Ginger Ale's franchisee?	Item 20 and Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

2. **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 franchised business or may harm your franchised business

3. **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.

4. **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.

5. **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.

6. **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.

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Illinois than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails."

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

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives the franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the license of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48933, (517) 373-7117.

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N. Franchisee Questionnaire
O. Addendum to the Franchise Agreement (Mobile/Trailer Unit)

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT **EXHIBIT M**, THE STATE SPECIFIC FRANCHISE AGREEMENT AMENDMENTS IN **EXHIBIT H**, OR THE STATE SPECIFID AREA DEVELOPMENT AGREEEMENT AMENDMENTS IN **EXHIBIT I**, EXCEPT THAT ADDITIONAL DISCLOSURES RELATED TO MICHIGAN LAW CAN BE FOUND RIGHT BEFORE THIS TABLE OF CONTENTS.

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The franchisor is GA Franchising, LLC, and will be referred to in this document as **Ginger Ale's**, "**we**", "**us**" or "**our**". A person who buys a franchise from us will be referred to as **"you."** If you are a limited liability company, corporation, partnership or other entity, "you" also includes your direct and indirect owners.

We are an Illinois limited liability company organized on October 23, 2020. Our principal place of business address is 1926 Miller Drive, Olney, Illinois 62450. We conduct business under the name Ginger Ale's. Our agents for the service of process are disclosed in **Exhibit B**.

Parents, Predecessors and Affiliates

Our parent is JMH Ventures, LLC, an Illinois limited liability company organized on March 5, 2021, whose principal business address is 308 W. Mack Ave., Olney, Illinois 62450.

We do not have any predecessors.

Our affiliates include GA Resources, LLC, an Illinois limited liability company (**"GA Resources"**), organized on March 4, 2021, whose principal place of business is 1926 Miller Drive, Olney, Illinois 62450. Our affiliate will sell beverage flavorings, consumables, food items and merchandise to franchisees.

The Franchises We Offer

We grant franchises for drive-thru restaurants and mobile/trailer units providing beverages and snack foods to be operated under the Ginger Ale's® name. We may grant qualified individuals area development rights to develop and operate multiple Ginger Ale's locations in a designated area. We do not operate businesses of the type being franchised to you. We do not engage in other business activities and have never offered franchises in any other line of business. Drawing inspiration from both the coffee culture and craft cocktail culture, Ginger Ale's offers "Big City Beverages with Small Town Prices."

You must enter into a franchise agreement (**"Franchise Agreement"**) with us for each Ginger Ale's location you franchise the right to operate. Our standard form of Franchise Agreement is attached as **Exhibit G**. The business you will conduct (we will call it the "**Franchised Business**") refers to a business using our Ginger Ale's® trademark and associated logos and symbols (we will call these marks, logos and symbols the "**Proprietary Marks**") to provide various drink and snack food items at retail. The Franchised Business will offer a multitude of different beverage options, with many proprietary flavors that are mixed in-house. The Franchised Business will use the methods and procedures we have developed (our "**System**") and includes standards and methods of operation, accounting, marketing, advertising and public relations, and the standards for conducting a Franchised Business. Our standards and procedures for conducting a Franchised business are set forth in our Operations Manual.

The Franchised Business for a restaurant will typically be operated out of a space of approximately 1200 square feet. The size of the space depends on several factors, but primarily on the food options available at your Ginger Ale's location. The typical Ginger Ale's location will be a drive-thru that can handle at least 8-16 cars in the drive-thru lane, and that has parking for at least 2 cars for online order and curbside pick-up. The Franchised Business for a mobile/trailer unit will typically operate out of a sixteen (16) foot concessions type trailer designated to our specifications.

We offer the exclusive right to develop multiple Franchised Businesses within a defined development area under an area development schedule. Our current form of area development agreement

("**Area Development Agreement**") is attached as **Exhibit I**. The area development schedule describes the mandatory number of Franchised Businesses you are required to open and the date by which each is to be open. We will negotiate the development schedule with you before we enter into the Area Development Agreement and mutually agree on the size of your development area, the number of locations you have to open, and the timing of the openings. The Franchise Agreement for each Franchised Business developed under the Area Development Agreement will be the form of Franchise Agreement generally offered by us at the time each Franchise Agreement is executed. The current form of our Franchise Agreement is attached as **Exhibit G** to this disclosure document.

General Market For Your Products or Services

The market for the products of Ginger Ale's is the general public, focused on people that enjoy specialty beverages. The franchise will compete with local, regional, and national brands that sell specialty drinks and snacks. The market is generally well developed. There are numerous competitors that sell products that are reasonably similar to Ginger Ales' products. The market for some of our beverages products is seasonal.

Competition

As a franchisee, you will compete with other national regional and local restaurants and other retail locations offering a variety of beverage products and snack food items, such as soft pretzels, hot dogs, chips, and nachos and other companies providing similar services. Competition includes quick serve restaurants, ice cream shops, coffee shops, and convenient stores that sell specialty beverages and snacks, although the variety of specialty drink flavors is unmatched.

Laws and Regulations

Our franchisees are subject to the following types of laws and regulations specific to the industry in which the Franchised Business operates in addition to laws applicable to business generally in your state: food service, health and sanitation laws and regulations. Your Franchised Business will also be subject to federal regulation from the Food and Drug Administration. In addition, general laws affecting the operation of any business, such as laws and ordinances regarding business permits, business licensing, and construction will affect you. Check with a lawyer to learn about specific laws applicable to your business in your location.

Our Prior Experience

Our founders, Julie and Michael Hill, started operating the type of business you will operate in 2015 when they opened the first Ginger Ale's drive-thru restaurant. Since then, the Ginger Ale's concept has developed to offer customers almost countless flavor variations for hot and cold beverages. Julie is a dietitian by training, and has incorporated many sugar-free options in the Ginger Ale's menu as well. They operated 2 Ginger Ale's locations in Olney, Illinois, a small town of approximately 9,000 until the end of 2023 at which time those stores converted to franchise locations.

We started offering Ginger Ale's franchises as of June 21, 2021. Neither our parent, nor our affiliates have ever franchised any concept and we have never offered franchises in any other line of business.

Your Owner's Obligations

If you are an entity, all Owners must sign an Owner's Guaranty in the form attached to the Franchise Agreement. In addition, all Owners must sign the Owner's Acknowledgement in the Franchise Agreement agreeing to accept and be bound by their separate rights and obligations in the Franchise Agreement.

ITEM 2

BUSINESS EXPERIENCE

Julie A. Hill, Member

Julie Hill has been a managing member of GA Franchising since January 2021, and President of Hill's Solutions, Inc since January 2020. Prior to that, Hill was Vice President of Hill's Solutions, Inc. since February 2014. She has also been a managing member of GA Resources, LLC since March 2021, managing member of JMH Ventures, LLC since February 2021, and managing member of Hill's Resources, LLC since February 2014.

Michael F. Hill, Jr., Member

Michael Hill has been a Manager of GA Franchising since January 2021, and Vice-President of Hill's Solutions, Inc. since January 2020. Prior to that, Hill was President of Hill's Solutions, Inc since February 2014. He has also been a managing member of GA Resources, LLC since March 2021, managing member of JMH Ventures, LLC since February 2021, and managing member of Hill's Resources, LLC since February 2014. From May 1997 to December 2020 he was also firefighter for the City of Olney, Illinois fire department with the last four years as the Fire Chief of the department.

Bob Schultz, Member

Mr. Schultz has been a member of GA Franchising since in January 2021. Since September, 1989 he also serves as the Manager of Schultz Investment Co., LLC. His place of business is Effingham, Illinois.

Frank Christopher "Christo" Schultz, Member

Mr. Schultz has been a director of GA Franchising since in January 2022. Since January 2018 he is also employed as a Senior Wealth Advisor at Midland States Bank in Effingham, Illinois. From June 2016 to December 2017 he was a Financial Advisor with Valeo Financial Advisors in Indianapolis, Indiana. He works out of Effingham, Illinois.

John Perles, Member

Mr. John Perles has been consulting for Ginger Ale's for 2.5 years. John is the founder of Momentum Builders, LLC which began in 2015. John started his first company in 1996, CMC, a manufacturing company and sold it in 2015.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchise Agreement

The initial fee ("**Initial Franchise Fee**") under the Franchise Agreement is $25,000 for a permanent location and $15,000 for a mobile/trailer unit and is payable to us when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid and is not refundable.

If you sign more than one Franchise Agreement with us, the Initial Franchise Fee for the second and subsequent Franchise Agreement will be $20,000 for a permanent location and $10,000 for a mobile/trailer unit.

We also provide an Initial Franchise Fee discount for employees of franchisees that are opening their first Ginger Ale's business. In both cases, they receive a 10% discount on the Initial Franchise Fee. For employees to qualify for this discount they must have worked for Ginger Ale's or one of our franchisees for at least 2 years and have the endorsement of the franchise owner they most recently worked for before applying for the franchise.

Besides the Initial Franchise Fee, you must also purchase a start-up inventory of proprietary syrup mixtures and other consumables, such as logoed cups, from our affiliate, GA Resources. You will pay approximately $2,395 for these items.

The Illinois Attorney General has required the Franchisor, due the Franchisor's financial condition, to post a surety bond, the original of which has been filed with the Franchise Bureau.

Area Development Agreement

If you are entering into an Area Development Agreement with us we will collect as the initial fee (the "Initial Fee") a portion of the Initial Franchise Fee under the Franchise Agreements that you are committing to sign under the Area Development Agreement. You will have to pay the full Initial Franchise Fee for the Franchise Agreement and 50% of all additional Franchise Agreements. For example, if you are signing an Area Development Agreement that requires you to open 5 Ginger Ale's locations you will pay $25,000 for the first Franchise Agreement and $12,500 for each of the remaining for, for a total Initial Fee of $75,000. When you sign the first Franchise Agreement $25,000 of the Initial Fee will be applied towards the Initial Franchise Fee. When you sign your next, and subsequent Franchise Agreements $12,500 of the Initial Fee will be applied towards the Initial Franchise Fee and you will have to pay us the balance of the Initial Franchise Fee. The Initial Fee is fully earned and non-refundable when you pay it to us.

ITEM 6

OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	5% of Adjusted Gross Sales	Weekly	See Note 2 for the definition of Adjusted Gross Sales.
Brand Development Fund	Up to 3% of Adjusted Gross Sales, currently 1% of Adjusted Gross Sales	Weekly	See Note 2 for the definition of Adjusted Gross Sales.
Successor Agreement Fee	$2,500	Upon signing of a successor Franchise Agreement	Payable if you and we agree to enter into a successor Franchise Agreement when the term of your Franchise Agreement expires.
Technology Fund	Up to $50/week, currently $25 /week	Weekly	This fee supports system-wide technology development and maintenance efforts, such as the website, intranet and network connectivity, the gift card platform, and other technology used by the entire Ginger Ale's franchise system.
Additional Training or Assistance	Currently, $350 per day and trainer, plus travel and lodging	Upon invoice	Payable if you request additional training, or if we determine you require additional training.
Annual Conference Fee	A reasonable fee intended to offset our expenses can be charged. Currently not charged.	Upon invoice	This fee is intended to off-set our expenses for organizing an annual conference for our franchisees. You are likely to incur travel and lodging expenses in addition to this fee.
Mystery Shopper Fee	A reasonable fee intended to offset our expenses can be charged. Currently not charged.	Upon invoice	Fee to cover our expenses for using a third party mystery shopping service to evaluate quality and service level compliance by our franchisees.
Quality Audit Fee	Actual expense, typically up to $250	Upon invoice	We may engage a third party to perform periodic (typically not more than quarterly) quality assurance audits of your Franchised Business. If we do so, you will have to reimburse us for the expense.
Alternative Supplier or Product Review Fee	The greater of $500 and our actual cost	Upon invoice	Payable if you want to buy approved products or services from another supplier than one we have already approved, or if you want to buy different products or services than those we have approved. If, based on

Type of Fee[1]	Amount	Due Date	Remarks
			the review we decide to approve the products, services, or supplier for the entire franchise system we will reimburse you the review fee charged.
Advertising Cooperative Fee	Currently none, up to 2% of Adjusted Gross Sales	Upon demand	See Note 3.
General Compliance Fee	$100.00 to $500.00 per instance, as determined by Franchisor in its reasonable discretion based on the nature, severity, and frequency of the non-compliance	Upon invoice, collected pursuant to the schedule and procedures set forth in the Operations Manual	Assessed for minor non-compliance violations including without limitation: (1) delinquent or late submission of required financial reports, profit and loss statements, or other required reporting to Franchisor; (2) sale or offering of unapproved products or menu items not authorized in writing by Franchisor; (3) use or installation of unapproved equipment within the Franchised Business facility; (4) failure to comply with dress code or uniform standards as set forth in the Operations Manual; (5) failure to follow approved operational procedures or safety protocols as communicated in writing by Franchisor; and (6) failure to maintain required signage or marketing materials in accordance with Franchisor standards. This list is illustrative and not exhaustive. Franchisor reserves the right in its sole discretion to determine whether a violation is minor in nature and subject to this fee rather than other remedies under the Franchise Agreement. Repeated or escalating violations may result in additional corrective measures as set forth in the Operations Manual and Article 14 of the Franchise Agreement.
Insufficient Funds Fee	$100 per occurrence	Upon invoice	Payable for returned checks or insufficient funds within your EFT account.
Construction Completion Extension Fee	$5,000/ 90-day extension	Upon request for extension	You may request up to 2 90-day extensions on the deadline for completing your Location construction. We may grant or reject the request in our sole

Type of Fee[1]	Amount	Due Date	Remarks
			discretion.
Re-inspection Fee	Actual expenses	Upon demand	If you fail the initial pre-opening inspection of your Franchised Business and we have to re-inspect the Location we can charge you for our expenses for each additional inspection required to approve the Location for opening.
Relocation Fee	50% of the then current Initial Franchise Fee	Upon approval of the relocation	Payable if you request, and we approve, a relocation of your Ginger Ale's location.
Audits	Costs of audit, including travel, lodging, and fees or wages for our personnel or third parties required to conduct the audit	Upon demand	Payable if audit shows an under-statement of at least 2% of reported Adjusted Gross Sales for any calendar month. Also payable if you fail to file required financial reports.
Transfers	Between $1,500 and 75% of the then current Initial Franchise Fee, depending on the type of transfer.	At time of transfer.	See Note 4.
Insurance	Actual expense	Upon demand	If you do not buy the insurance coverage required under the Franchise Agreement we have the right to purchase it for you. You will have to reimburse us for the cost of the insurance.
Indemnification	You must reimburse us for our actual expenses.	As incurred	You must reimburse us for claims from the operation of the Franchised Business, any occurrence at your Franchised Business, or your breach of any terms of the Franchise Agreement and expenses that we incur to protect ourselves from and to remedy any breach of the Franchise Agreement by you. Under the Area Development Agreement you must reimburse us for claims due to your failure to pay taxes, your operation of the area development business, and your actions or failure to act, and all expenses we incur in the investigation and defense of all claims.
Legal actions against	You must reimburse	As incurred	You will reimburse us for costs

Type of Fee[1]	Amount	Due Date	Remarks
you	us for our actual expenses.		and fees that we incur with regard to legal actions against you, your affiliates, your owners, and your affiliates' owners, if we are required to participate in that action, for example by responding to discovery request or by making an appearance as a witness or otherwise. See "Indemnification" above for a description of your obligation to reimburse us for fees and expenses incurred if any action is brought against us with regard to the Franchise Agreement, the Franchised Business and related matters. The same applies under the Area Development Agreement.
Unauthorized Product Sales Fee	$250/day	Upon demand	Payable if you sell products that are not part of the Ginger Ale's menu, or that you are not authorized by us to sell.
Late Charge on Overdue Amounts	The lesser of 1.5% per month or the maximum rate allowed by law	Upon demand	Payable on overdue amounts owed to us. The late charge begins from the date of the underpayment.
Temporary Management Assistance Fee	10% of Adjusted Gross SalesRevenues, plus travel and lodging	As incurred	If you are in default under the Franchise Agreement, or if your Operating Principal is incapacitated or dies, we have the right to step in and manage your Ginger Ale's location. See Note 2 for the definition of Adjusted Gross Sales.
Tax Gross-Up Fee	As incurred	As incurred	If we must pay any state or local sales, use, gross receipts, or similar tax on payments which you make to us under the Franchise Agreement you will have to reimburse us for that cost. It does not matter whether we have to pay the taxes directly, if you have to withhold them, or if you have to collect them from us.
Area Development Transfer Fee	$5,000, or our total costs and expenses, if higher.	Upon transfer	Payable upon transfer of the Area Development Agreement. If you are an individual and wish to transfer your Area Development Agreement to a wholly-owned company the transfer fee will only be our reasonable costs for

Type of Fee[(1)]	Amount	Due Date	Remarks
			administering the transfer and preparation of transfer documentation.

Notes:

(1) These payments are uniform and are not refundable. None of these fees are imposed or collected on behalf of a third party and are payable to us. Unless other collection procedures and time frames are stated specifically for a fee, it is collected by us on a weekly basis, by EFT.

(2) "Adjusted Gross Sales" means the total revenues of the Franchised Business calculated according to the following formula: Gross Reported Sales (meaning all sales recorded through the Franchised Business point-of-sale system, whether generated at the Approved Location, through direct online ordering, or otherwise) MINUS Sales Tax collected and remitted to applicable taxing authorities MINUS the gross proceeds from the initial sale of gift cards at point of sale MINUS any gratuity or tip amounts collected through online ordering platforms that are remitted in their entirety to a charitable or community fund maintained by the Franchised Business and not retained by Franchisee or any Owner PLUS Third-Party Platform Sales (meaning all revenue received from third-party delivery and ordering platforms, including without limitation DoorDash, Uber Eats, and similar services, which are reported and deposited separately from the point-of-sale system) PLUS the value of any Authorized Discounts applied at point of sale with prior written approval of Franchisor. Franchisee shall maintain complete and accurate records of all Third-Party Platform settlement reports and shall make such records available to Franchisor upon request or during any audit conducted pursuant to the Franchise Agreement. Adjusted Gross Sales shall be determined in accordance with the accounting methods and procedures specified in the Manual, as amended from time to time.

(3) If we start a regional advertising cooperative for your area you will have to contribute up to 2% of your Adjusted Gross Sales to the coop, though your required local marketing expenditures will be reduced by the same amount as you contribute to the coop. If we or our affiliates own any Ginger Ale's locations that are member of the coop those locations will have the same voting rights with respect to the coop and fees imposed by the coop, as franchised Ginger Ale's locations that are members.

(4) The transfer fee depends on the type of transfer involved: If the transfer is between your existing Owners who have already been approved by us, or if you are adding a new, minority owner, the transfer fee is $1,500. If the transfer is to an existing Ginger Ale's franchisee, the transfer fee is 50% of the then current Initial Franchise Fee. If the transfer is to one or more persons who are new to the Ginger Ale's System, then the transfer fee is 75% of the then current Initial Franchise Fee.

ITEM 7(A)

ESTIMATED INITIAL INVESTMENT (PERMANENT LOCATION)

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[(1)]	$20,000-$25,000	Note 1	Before opening	Us
Travel and Training Expenses[(2)]	$1,603-$4,540	As arranged	Before opening	Airlines, hotels, restaurants
Real Property, whether purchased or leased[(3)]	Note 3	Note 3	Note 3	Note 3
Design & Architectural Professional Services[(4)]	$0 - $30,000	As Arranged	Before Opening	Architect & Engineer Company
Construction, Remodeling and/or Leasehold Improvements whether purchased or leased[(4)]	$40,000 - $376,000	Note 4	Note 4	Note 4
Equipment, Fixtures, and Other Fixed Assets[(4)]	$20,279 - $355,679	As Arranged	Before opening	Vendors
Signage, Menu Boards, Intercom Systems[(4)]	$11,548 – $127,000	As Arranged	Before Opening	Approved Vendor
Inventory and start-up supplies to begin operating[(5)]	$8,000 - $27,000	As arranged	Before opening	Our affiliate, vendors
Security Deposits, utility deposits, business licenses and pre-paid expenses	$2,400 - $5,900	As arranged	Before opening	Government agencies and organizations
Grand Opening Advertising[(6)]	$2,000	As arranged	Before opening	Vendors
Real Estate Broker Services [(7)]	$0 - $10,000	As arranged	Before opening	Real estate broker
Insurance[(8)]	$700 - $2,000	As arranged	Before opening	Insurance company
Point-Of-Sale[(10)]	$6,000	As Arranged	Before Opening	Approved Vendor
Additional Funds[(9)] – 3 months	$42,000 - $80,000	As arranged	Before opening	Vendors, employees
TOTAL	$154,530 - $789,496			

Notes:

This is our best estimate on the costs you will incur to develop and open a franchised business based on our experience. The factors that underlie this estimate can vary considerably depending on a number of

variables, and the mutual investment you may make may be lesser or greater than the estimates given. Unless you are able to negotiate different terms with your various vendors, the amounts and fees stated are likely non-refundable. Neither we, nor our affiliates, finance any part of your initial investment.

(1) **Initial Fee:** The initial fee under the Franchise Agreement is $15,000 and is payable to us when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid and is not refundable. If you sign more than one Franchise Agreement with us, the Initial Franchise Fee for the second and subsequent Franchise Agreement will be $10.000. We also provide an Initial Franchise Fee discount for employees of franchisees that are opening their first Ginger Ale's business. They receive a 10% discount on the Initial Franchise Fee. For employees to qualify for this discount they must have worked for Ginger Ale's or one of our franchisees for at least 2 years and have the endorsement of the franchise owner they most recently worked for before applying for the franchise. If you sign an Area Development Agreement, you will pay a development fee of $15,000 for the first Franchised Business you will be establishing under your development schedule, and 50% of the Initial Franchise Fee for each subsequent Franchised Business. You will not pay the Initial Franchise Fee when you sign the first Franchise Agreement and you will only pay the balance of the Initial Franchise Fee for each subsequent Franchised Business to be developed under the Area Development Agreement.

(2) **Training Expenses:** Initial training for up to 3 persons is included in the initial fee. We will provide you and your owners with pre-opening training at our corporate offices in Olney, Illinois, or at another location selected by us. The franchising management and operations training will take 16 days, which includes 8 days of classroom training and 8 days of on-the-job training at a Ginger Ale's location. This amount includes the estimated cost of attending training in Olney, Illinois and covers travel expenses and room and board. You will also be responsible for any salary payable to your employees attending the training.

(3) **Real Estate:** We estimate that the lease cost for your Franchised Business for the first 3 months will range between $3,150 and $15,000 in most locations. In large cities, in prime locations the cost may be significantly higher. We cannot estimate the cost of purchasing and building out the space for your Ginger Ale's location because of the significant variation in real estate cost in different parts of the country. The Franchised Business will be operated out of a space between 1,100 square feet and 1,500 square feet. The size of the space will depend on if your community can support the full menu ~~with hamburgers and fries~~, in addition to the snack foods. ~~For the larger space, there would be seating for up to 20 people and bathrooms.~~ The typical Ginger Ale's location will be a drive-thru that can handle at least 8-16 cars in the drive-thru lane, and that has parking for at least 4 cars for online order and curbside pick-up.

(4) **Leasehold improvements, FF&E, signage, and remodeling:** These estimates include leasehold improvement costs, design and architecture fee, signage and menu boards, furniture and fixtures, the POS system and back office computer systems, and other equipment and supplies needed to start your business.

In addition to the expenses you will incur in order to construct and build out your Ginger Ale's location there will also be expense throughout the term, both for routine maintenance, equipment and technology upgrades, and trade dress updates. The routine maintenance costs will include expenses for the upkeep and maintenance of all fixtures, equipment, and construction elements of your Franchised Business. We may also require from time to time that you update your equipment, POS system, and other aspects of your technology. The trade dress updates can be smaller or bigger changes, such as new color schemes and signage, flooring, or other visual and physical elements of your Franchised Business. We don't anticipate that significant trade dress upgrades will be required more often than once every 5 years, or that the cost would exceed $15,000 per update.

(5) **Starting Inventory:** You will need to buy an inventory of food products and food packaging before beginning operations. This includes between $1,400 and $2,400 you have to pay to us or our affiliates for proprietary products.

(6) **Grand Opening Advertising:** Starting 2 weeks prior to and continuing for 4 weeks following the opening of your Franchised Business you must spend at least $2,000 on initial launch marketing and promotion.

(7) **Real Estate Broker:** You are not required to use a real estate broker to help find a location for your Franchised Business, but a real estate broker may help you find locations and may be able to help you evaluate the locations. Typically, real estate brokers will charge $5,000 to $10,000 per deal.

(8) **Insurance:** This number represents 25%-50% of an estimated annual cost for the insurance coverage you are required to have under the Franchise Agreement. Currently, we require you to carry: (i) Business Owner's Policy (General Liability): $1,000,000 per occurrence and $1,000,000 aggregate; (ii) Worker's Compensation: $100,000 bodily injury by disease per occurrence and $500,000 bodily injury by disease aggregate; and (iii) building coverage insurance if you own the building you operate your Franchised Business (coverage amount commensurate to building value) out of, or a Tenant Policy if you rent the building (coverage amount at least $120,000); with Insurance requirements are subject to change periodically and the current requirements are available upon request. Your actual insurance cost will vary widely based on many factors, including the location of your Franchised Business (for example, depending on if it is in an area prone to national disaster) and the number of Ginger Ale's locations operated by you. All policies of insurance (a) shall be specifically endorsed to provide that the coverages will be primary and non-contributory to insurance carried by any additional insured, (b) shall contain a waiver of any rights of subrogation against the indemnitees, and (c) must be underwritten by insurance companies rated A or higher by A.M. Best. The commercial general liability, business automobile liability, and excess or umbrella liability insurance must name as additional insured the parties described in the Franchise Agreement. The coverage shall be provided on a "special cause of loss" form and must be in an amount not less than the full replacement cost of the Franchised Business. During the construction of the Franchised Business (and other significant construction at the location) you must maintain builders risk insurance coverage or cause the contractor to carry this coverage of the work to be constructed, installed, altered or repaired. You must also inform the contractor of the requirements under the Franchise Agreement for commercial general liability insurance, workers' compensation and employer's liability insurance, and other insurance requirements. Whether the fees you pay for insurance are non-refundable will depend on your agreement with your insurance company, but usually fees are non-refundable. You must provide us with proof of all required insurance coverages.

(9) We estimate (without making any warranty) that the initial period will be 3 months. You will need to have on hand sufficient additional capital to cover salaries for approximately twenty employees and yourself. The estimate given is the amount of additional funds, in excess of revenues, we estimate you will need to cover these expenses during this initial phase. Besides the additional funds described above, we recommend that you have access to a contingency of at least another $20,000, plus your living expenses and an amount to cover debt service payments and taxes, until the business generates a positive cash flow. This estimate is based on anticipated salaries and debt service and our affiliates' experience in operating Ginger Ale's businesses since 2015 in Olney, Illinois.

ITEM 7(B)

ESTIMATED INITIAL INVESTMENT (MOBILE/TRAILER UNIT)

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee[(1)]	$10,000-$15,000	Note 1	Before opening	Us
Travel and Training Expenses[(2)]	$1,603-$4,540	As arranged	Before opening	Airlines, hotels, restaurants
Mobile/Trailer Unit[(3)]	$50,000-$70,000	As Arranged	Before opening	Vendors
Equipment, Fixtures, and Other Fixed Assets[(4)]	$5,800-$7,000	As Arranged	Before opening	Vendors
Inventory and start-up supplies to begin operating[(5)]	$8,000 - $27,000	As arranged	Before opening	Our affiliate, vendors
Security Deposits, business licenses and pre-paid expenses	$2,400 - $5,900	As arranged	Before opening	Government agencies and organizations
Insurance[(6)]	$700 - $2,000	As arranged	Before opening	Insurance company
Point-Of-Sale	$6,000	As Arranged	Before Opening	Approved Vendor
Additional Funds[(7)] – 3 months	$4,000-$14,000	As arranged	Before opening	Vendors, employees
TOTAL	$88,503-$151,440			

Notes:

This is our best estimate on the costs you will incur to develop and open a franchised business based on our experience. The factors that underlie this estimate can vary considerably depending on a number of variables, and the mutual investment you may make may be lesser or greater than the estimates given. Unless you are able to negotiate different terms with your various vendors, the amounts and fees stated are likely non-refundable. Neither we, nor our affiliates, finance any part of your initial investment.

(1) **Initial Fee:** The initial fee under the Franchise Agreement is $25,000 and is payable to us when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned when paid and is not refundable. If you sign more than one Franchise Agreement with us, the Initial Franchise Fee for the second and subsequent Franchise Agreement will be $20,000. We also provide an Initial Franchise Fee discount for employees of franchisees that are opening their first Ginger Ale's business. They receive a 10% discount on the Initial Franchise Fee. For employees to qualify for

this discount they must have worked for Ginger Ale's or one of our franchisees for at least 2 years and have the endorsement of the franchise owner they most recently worked for before applying for the franchise. If you sign an Area Development Agreement, you will pay a development fee of $25,000 for the first Franchised Business you will be establishing under your development schedule, and 50% of the Initial Franchise Fee for each subsequent Franchised Business. You will not pay the Initial Franchise Fee when you sign the first Franchise Agreement and you will only pay the balance of the Initial Franchise Fee for each subsequent Franchised Business to be developed under the Area Development Agreement.

(2) **Training Expenses:** Initial training for up to 3 persons is included in the initial fee. We will provide you and your owners with pre-opening training at our corporate offices in Olney, Illinois, or at another location selected by us. The franchising management and operations training will take 16 days, which includes 8 days of classroom training and 3 days of on-the-job training at a Ginger Ale's location. This amount includes the estimated cost of attending training in Olney, Illinois and covers travel expenses and room and board. You will also be responsible for any salary payable to your employees attending the training.

(3) **Mobile/Trailer Unit:** We estimate the purchase price of a mobile/trailer unit will be between $50,000 and $70,000 based on estimates received for our corporate unit.

(4) **Starting Inventory:** You will need to buy an inventory of food products and food packaging before beginning operations. This includes between $1,400 and $2,400 you have to pay to us or our affiliates for proprietary products.

(5) **Equipment, Fixtures and Other Assets:** The mobile/trailer unit is to be equipped as specified by corporate with the current configuration equipment costing $5,800 to $7,000.

(6) **Insurance:** This number represents 25%-50% of an estimated annual cost for the insurance coverage you are required to have under the Franchise Agreement. Currently, we require you to carry: (i) Business Owner's Policy (General Liability): $1,000,000 per occurrence and $1,000,000 aggregate; (ii) Worker's Compensation: $100,000 bodily injury by disease per occurrence and $500,000 bodily injury by disease aggregate; and (iii) building coverage insurance if you own the building you operate your Franchised Business (coverage amount commensurate to building value) out of, or a Tenant Policy if you rent the building (coverage amount at least $120,000); with Insurance requirements are subject to change periodically and the current requirements are available upon request. Your actual insurance cost will vary widely based on many factors, including the location of your Franchised Business (for example, depending on if it is in an area prone to national disaster) and the number of Ginger Ale's locations operated by you. All policies of insurance (a) shall be specifically endorsed to provide that the coverages will be primary and non-contributory to insurance carried by any additional insured, (b) shall contain a waiver of any rights of subrogation against the indemnitees, and (c) must be underwritten by insurance companies rated A or higher by A.M. Best. The commercial general liability, business automobile liability, and excess or umbrella liability insurance must name as additional insured the parties described in the Franchise Agreement. The coverage shall be provided on a "special cause of loss" form and must be in an amount not less than the full replacement cost of the Franchised Business. During the construction of the Franchised Business (and other significant construction at the location) you must maintain builders risk insurance coverage or cause the contractor to carry this coverage of the work to be constructed, installed, altered or repaired. You must also inform the contractor of the requirements under the Franchise Agreement for commercial general liability insurance, workers' compensation and employer's liability insurance, and other insurance requirements. Whether the fees you pay for insurance are non-refundable will depend on your agreement with your insurance company, but usually fees are non-refundable. You must provide us with proof of all required insurance coverages.

(7) We estimate (without making any warranty) that the initial period will be 3 months. You will need to have on hand sufficient additional capital to cover wages for approximately three employees and yourself. The estimate given is the amount of additional funds, in excess of revenues, we estimate you will need to cover these expenses during this initial phase. Besides the additional funds described above, we recommend that you have access to a contingency of at least another $10,000, plus your living expenses and an amount to cover debt service payments and taxes, until the business generates a positive cash flow. This is an estimate we have calculated based on our presumption of a mobile/trailer unit being in operation throughout the year with estimates on salaries and debt service as we do not currently have a mobile/trailer unit franchise in operation.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers and Specifications: Except as listed below, neither we, nor any of our affiliates, currently require you to purchase or lease any goods, services, supplies, FF&E, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating the franchised business either from us, our designees, or suppliers approved by us, or under our specifications.

We require you to purchase various proprietary products, such as flavor syrups and mixes for beverages, as well as most beverage and food products you will be using, and gift cards, only from our approved suppliers. We and our affiliates may be an approved supplier, and may be the only approved supplier for some products. Currently, you have to buy flavor syrups and mixes and some disposable products from our affiliate GA Resources, LLC. GA Resources, LLC is owned by our managers Julie and Michael Hill and Bob Schultz.

We also have specifications for signage, furniture, fixtures and equipment you need to buy before opening your Franchised Business, as well as supplies used in the operation of the Franchised Business, but currently you can buy those types of items and products from any vendor, as long as they meet our specifications.

We estimate that 90% of your initial purchases and 75% of your ongoing purchases of products and services will be purchases either from us, our affiliates, our designees, suppliers approved by us, or under our specifications.

Alternative Suppliers and Alternative Products or Services: You must obtain our approval to purchase any alternative products or services by submitting a written request to us with all applicable information, specifications or samples we may require. The same applies if you wish to purchase a product or service from an alternative supplier than the supplier we have approved for a product or service. In each case we may charge a fee for the review. Currently, the fee is the higher of $500 and our actual cost of the testing and research required to evaluate the product or services. The fee is intended to cover our expenses incurred in the review of the alternative product or service, or the alternative supplier. The fee is payable to us at the time you submit the request for approval for the product or service (with any balance due against invoice). Within a reasonable time (our goal is 30 days or less), we will notify you whether the alternative product or service, or supplier, is approved. We do not issue particular specifications and standards to Franchisees for approving alternative suppliers, products or services and we do not make such criteria available to franchisees. If we revoke the approval of an alternative supplier, product, or service, you will be notified of the revocation in a manner we deem appropriate. Applications for approval are reviewed on a case by case basis.

Relationship Between Us and Approved Vendors: In the future, we may negotiate product and service purchase terms with vendors for the benefit of all Ginger Ale's locations, franchised as well as company-owned. We do not currently provide any material benefits to a franchisee based on a franchisee's purchase of any particular or services or use of particular suppliers. As part of those negotiations it is possible that we will receive rebates or other material consideration from the vendor related to required purchases made by our franchisees. We may choose to pass such rebates on to the Brand Development Fund, or directly to you, but are not required to do so. Since we only started franchising in 2021, we did not receive any rebates from approved vendors based on franchisee purchases made in 2020 and neither we, nor our affiliates had any revenue from required purchases or leases of products or services by franchisees. Currently, our franchisees receive rebates from one or more vendors based on purchases made.

Currently there are no purchasing or distribution cooperatives for the Ginger Ale's franchise system.

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[(1)]	Disclosure document item
a. Site selection and acquisition/lease	Sections 2.2, 2.8, 5.1, and 5.2 of Franchise Agreement Sections 3.1.3, 3.1.5, 6.1, 6.2.3, 6.2.4, 6.2.5, 7.1 of the Area Development Agreement.	Items 5, 6, 7 and 11
b. Pre-opening purchases/leases	Sections 5.2, 5.3, and 8.1 of Franchise Agreement	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.7, 5.8, 7.1 and 7.2 of Franchise Agreement Sections 3.1 and 6.2 of the Area Development Agreement.	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5.7 and 7.2, 7.3, 7.4, 7.5 of Franchise Agreement	Items 6, 7, 11 and 15
e. Opening	Section 5.7 of Franchise Agreement Sections 6.2.1 and 6.2.2 of the Area Development Agreement.	Items 7 and 11

Obligation		Section in agreement[1]	Disclosure document item
f.	Fees	Sections 2.8, 3.2, 4.1, 4.2, 5.3, 5.5, 5.7.E, 6.1, 7.3, 7.4, 7.5, 7.6, 7.9, 7.10, 7.25, 7.26, 8.1.D, 8.3, 9.3, 10.4, 12.4, 12.5, 13.7, 13.9, 14.3, 14.4, 15.1, 15.2, 19.1B and 19.6 of Franchise Agreement, Sections 2 and 4 of Covenant Agreement. Sections 5.1, 5.2, 5.3, 6.1, 6.2.1, 13.8 of the Area Development Agreement.	Items 5, 6, 7 and 11
g.	Compliance with standards and policies/operating manual	Sections 2.4, 2.5, 4.2, 5.3, 5.4, 5.5, 6.1, 7.2, 7.6, 7.7, 7.8. 7.9, 7.10, 7.24, 8.1, 8.2, 9.5, 10.1, 11.6, 11.10, 12.1, 12.4 and 14.1.D of Franchise Agreement	Items 8, 11 and 16
h.	Trademarks and proprietary information	Sections 7.27, 8.1, 11.1 – 11.12, and 15.1 of Franchise Agreement Sections 8.1 and 8.2 of the Area Development Agreement Sections 1 and 2 of Confidentiality Agreement and Section 2 of Covenant Agreement	Items 13, 14 and 15
i.	Restrictions on products/services offered	Sections 7.9, 8.1, and 8.2 of Franchise Agreement	Item 16
j.	Warranty and customer service requirements	None	None
k.	Territorial development and sales quotas	Sections 3.1, 3.2, 6.2, Exhibits 1 and 2 of the Area Development Agreement	None
l.	Ongoing product/service purchases	Sections 7.6 and 8.1 of Franchise Agreement	Item 8
m.	Maintenance, appearance, and remodeling requirements	Section 7.12, 7.13 of Franchise Agreement	Items 8 and 11
n.	Insurance	Sections 12.1, 12.2, 12.3, and 12.4 of Franchise Agreement	Items 6, 7 and 11

Obligation	Section in agreement[1]	Disclosure document item
o. Advertising	Sections 4.1.C, 7.23, 8.1, 8.6, 9.1, 9.2, 9.3, 9.4, 9.5, and 9.6 of Franchise Agreement	Items 6, 7, 8 and 11
p. Indemnification	Section 12.5 of Franchise Agreement Section 12.4 of the Area Development Agreement	Item 6
q. Owner participation/ management/staffing	Sections 5.7, 7.2, 7.5, and 7.8 of Franchise Agreement	Items 11 and 15
r. Records and reports	Sections 7.8, 10.1, 10.2, 10.3 10.4, and 15.3 of Franchise Agreement	Items 6 and 11
s. Inspections and audits	Sections 8.3, 8.4 and 10.4 of Franchise Agreement	Items 6 and 11
t. Transfer	Sections 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, and 13.10 of Franchise Agreement Sections 10.1, 10.2, 10.3, 10.4, and 10.5 of the Area Development Agreement	Items 6, 15 and 17
u. Renewal	Section 3.2 of the Franchise Agreement Section 4.2 of the Area Development Agreement	Item 6
v. Post-termination obligations	Sections 11.2, 11.4, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 15.10, 15.11, 15.12, 15.13 and 15.14 of Franchise Agreement Section 11.6 of the Area Development Agreement Section 2 of Covenant Agreement	Items 6, 11, 14 and 17
w. Non-competition covenants	Sections 7.8, 11.10 and 14.3 of Franchise Agreement Sections 9.1, 9.2, 9.3 and 9.4 of the Area Development Agreement Section 2 of Covenant Agreement	Item 17

Obligation	Section in agreement[1]	Disclosure document item
x. Dispute Resolution	Sections 12.6, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7 and 19.8 of Franchise Agreement Sections 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8 and 13.9 of the Area Development Agreement Section 4 of Covenant Agreement; and Section 8 of the Assignment.	Item 17
y. Other investors	Section 7.2 of the Area Development Agreement	Item 16

Notes:

1. Your owners must guarantee all of your obligations in the Franchise Agreement. We require that individuals guarantee your obligations, so if your owners are entities, your indirect owners who are individuals will have to guarantee your obligations. A copy of the Guaranty is attached to the Franchise Agreement.

2. All of your partners, principals, officers, directors, managers and members are also required to honor all of your obligations in Article 11 of the Franchise Agreement.

3. Upon our request, you must have your officers, directors, partners, members, managers, principals and general managers sign a Covenant Agreement and a Guaranty in the form attached as an exhibit to Franchise Agreement.

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, Ginger Ale's is not required to provide you with any assistance.

Pre-Opening Site Selection Obligations

Before you open your business, we will provide you with the following assistance:

Site Location and Acceptance: We will provide you with our criteria for your site and location, and its layout. Your site and its layout are subject to our acceptance. (Franchise Agreement, Section 6.1). It is your obligation to locate an appropriate site, but we will review it and, if it meets our System standards, accept it. If we have not yet accepted a site for your Franchised Business when you and we

sign the Franchise Agreement, we will sign a "Site to be determined" addendum to the Franchise Agreement. The addendum will specify the general area in which you must find a site. If you wish to use a real estate broker to assist you we may provide you with suggested brokers, but we do not currently have any approved brokers, or require you to work with any specific broker.

You have to submit a proposed site to us for acceptance within 90 days of signing your Franchise Agreement. We will have 20 business days after we receive all required information from you to accept or decline, at our sole discretion, the site as the location for the Franchised Business. The factors that we will consider in accepting your site include general location and neighborhood, physical characteristics of any existing building, traffic patterns and visibility of the location, drive-thru capability (a minimum of 8-16 cars) parking, size, lease terms and local competition. (Franchise Agreement, Section 5.1). Our acceptance of the site does not in any way guarantee that the site will become a profitable Property.

If we decline your initial proposed site we will give you the opportunity to submit another site for our consideration. However, if that site is also not accepted by us we have the right to terminate the Franchise Agreement. You must complete your conversion or construction work and be opened for business within 270 days of signing your Franchise Agreement. (Franchise Agreement, Section 5.5) If you cannot meet this deadline you can request up to two 90-day extensions of time to complete construction. We charge a $5,000 fee per extension granted at our discretion. We may grant or reject your request for an extension in our sole discretion.

Lease Review: A Lease addendum is provided to you as part of the Franchise Agreement (Exhibit F). It includes terms that we require that your lease include. It is up to you though to negotiate the terms of your lease. We do not typically own the site that you will operate your Franchised Business from, but may do so in future. If you own the land on which the Franchised Business will be located you do not need to execute the Lease Rider.

Plans and Specifications: We will provide you with our layout requirements for your Franchised Business, and discuss layout with you. If an architect is required you must submit information to us about your chosen architect for our approval. You must also submit your architectural plans to us for our review and approval. Our approval does not mean that the plans are consistent with local laws and ordinances. You must always make sure that your approved location and the premises of your Franchised Business comply with local ordinances and business codes. You must also ensure that you obtain the required permits for the build-out of your premises. You are responsible for all costs associated with the design of your Franchised Business.

Constructing, Remodeling, and Decorating: We will provide you with our design requirements for your Franchised Business, and information about any required furniture, fixture and equipment (such as signage, millwork, walk-in refrigerators, shelving, menu boards, and lighting). It is up to you to find a contractor to help you with the construction or remodeling, and decorating of your Franchised Business and you are responsible for the related costs.

Area Development Agreement: If you are an area developer, our only obligation is to help you define your Development Area and assign it to you. (Area Development Agreement, Section 7.1.)

Other Pre-Opening Obligations

Before you open your business, we will:

1. We will provide you with information about the necessary equipment for Ginger Ale's locations, required signage, fixtures, opening inventory and supplies, but it is your responsibility to procure all such items. In some cases we will provide you the names of approved vendors that you can purchase these items from, in other instances we will only provide you brand names or required specifications. You will have to make all the

purchases yourself, and if installation is required, take care of the installation yourself. Ginger Ale's is not required to provide you with equipment, signs, fixtures and opening inventory and we do not deliver or install any of them.(Franchise Agreement – Section 6.1.B)

2. Make available to you the Operations Manual. (Franchise Agreement – Section 6.1.D).

3. Provide a pre-opening training program for your Owners, including the Principal Owner, and your General Manager (if any). (Franchise Agreement – Section 6.1.E) A description of our training program appears later in this Item 11 under the caption "Training Programs." Apart from the pre-opening training program, we are not required to help train your employees and we are not required to help you hire employees.

4. A Ginger Ales' representative will spend 3 to 11 days assisting you and your staff on-site at your location in connection with the opening of your Franchised Business. The Ginger Ale's trainer will typically be there at least 8 days before you open, and for the first 3 days of operation. (Franchise Agreement, Section 7.4)

5. Approve or disapprove all advertising, signage, written communications, electronic or web based materials and promotional plans, and other materials displaying our Proprietary Marks that we have not prepared or previously approved. (Franchise Agreement – Section 9.1).

6. Upon reasonable request, we will consult with and advise you at our home office concerning the construction and operation of the Franchised Business. (Franchise Agreement – Section 8.1.C)

7. Approve your insurance certificates with the additional insured parties named per the insurance requirements specified in the Franchise Agreement (Franchise Agreement – – Section 12.1).

Opening of Your Business

We expect that franchisees will typically open their Franchised Businesses within 4 to 6 months after they sign a franchise agreement. The factors that affect this time usually include locating a suitable site, completing the leasehold improvements, satisfactorily completing the training, obtaining all necessary equipment and supplies, and obtaining all necessary licenses or permits.

Your Franchised Business may be open for business when you satisfy our requirements. You will have to comply with the following: (i) install all fixtures, furniture and equipment and obtain all business licenses required to operate a Ginger Ale's location; (ii) you must have hired qualified staff and you (or your Operating Principal, if you are an entity) and your General Manager (if any) must have satisfactorily completed our training program; (iii) you must have paid all sums due us and our affiliates; (iv) you must not be in default under the Franchise Agreement or any other agreement with us or our affiliates; (v) we must have made a satisfactory on-site inspection and investigation as we deem appropriate; and (vi) you must have purchased required insurance. (Franchise Agreement – Section 5.7).

If you are an area developer you and we will agree on a development schedule that will be an exhibit to your Area Development Agreement. You will have to open your Franchised Businesses pursuant to that schedule. (Area Development Agreement, Section 3.1).

Obligations During Operation of the Franchise

During the operation of the Franchised Business, we will:

1. Consult with and advise you at our offices, upon reasonable request, concerning the operation of the Franchised Business. (Franchise Agreement – Section 6.1.C)

2. Modify and add to the Manual as we deem appropriate to reflect changes in the business, authorized products or services, or specifications for authorized products and services, equipment requirements, quality standards, and operating procedures. (Franchise Agreement – Section 6.1.D)

3. Provide additional optional or required training programs or seminars as we deem appropriate in consideration of your payment of an additional training fee as described in Item 6. (Franchise Agreement – Section 6.1.E) A description of our additional training appears later in this Item 11 under the caption "Training Programs." Apart from those training programs, we are not required to help train your employees and we are not required to help you hire employees.

4. Conduct inspections of your Ginger Ale's location and financial records, conduct evaluations of the products and services provided by your Franchised Business, and conduct interviews with your employees, agents and customers, directly, or through mystery shoppers, all as we may deem advisable. (Franchise Agreement – Section 6.1)

5. Manage the Brand Development Fund. (Franchise Agreement – Section 9.4) A discussion of the marketing, sales and advertising fund appears later in this Item 11 under the caption "Brand Development Fund."

6. Approve or disapprove all advertising, signage, written communications, and promotional plans and other materials displaying our Proprietary Marks which we have not prepared or previously approved. (Franchise Agreement – Section 6.1.F)

7. We may, at our sole discretion, from time to time make suggestions regarding your product and services pricing. You may decide whether or not to follow those suggestions, but in most jurisdictions we have the right to set minimum and maximum product and service prices, and, where permitted, you must honor those minimum and maximum prices. You may also not offer coupons, discounts, gift cards, gift certificates, loyalty programs, mobile applications, online ordering capabilities and similar promotions without our prior approval in writing. (Franchise Agreement – Sections 2.4 and 8.8) (Also see Item 16)

8. For your bookkeeping and accounting we require you to use a standard chart of accounts, income statement and balance sheet format, and require that you generate monthly reports. We may also require you to use a specific accounting software (currently, QuickBooks online) and give us access to your books. But it will be up to you to maintain your books and to your accounting. However, if you cannot provide us with the required reports in a timely fashion, or if we otherwise have reasons to believe you are not property maintaining your accounts we have the right to require that you engage an accounting firm approved by us to maintain your accounts. You must also keep business records in the format required by us and must provide us with reports as set forth in the Operations Manual.

We are not required to establish any particular administrative or inventory control procedures, but we may choose to do so.

Advertising Program

While we are not required to do so, we currently undertake a lot of different activities to promote the Ginger Ale's brand. For example, in 2023 Ginger Ale's corporate stores participated in daily social media campaigns to promote the brand and products, sponsored all of the local sports teams through the donations through the local sports boosters, and donated to local charities and organizations. At this time, these expenses are not undertaken out of the Brand Development Fund. We may prepare marketing and advertising materials in-house or by outside agencies, both national and regional. We are not required to spend any amount on advertising in the area that your Franchised Business will be located in.

Local Advertising, Websites and Social Media:

To facilitate your local marketing and advertising, we plan to prepare pre-approved strategies, including copy and graphic design. All other advertising, marketing, and publicity materials you use must first be approved by us. You must submit to us for our review and approval any materials not already approved by us. This includes all such materials, no matter the medium (e.g. print, digital, social media, and mobile apps). You must at all times comply with our instructions regarding the use of advertising materials, including modifying or ceasing to use those materials, whether or not we previously prepared or approved the materials. We will try to let you know within 5 business days of when you submit advertising materials whether it has been approved or disapproved, but there is no time limit in the Franchise Agreement for how soon we need to let you know our decision.

Starting 2 weeks prior to and continuing for 4 weeks following the opening of your Franchised Business you must spend at least $2,000 on initial launch marketing and promotion. During the term of your Franchise Agreement, you are also required to spend at least 2% of your Gross Revenues on local marketing. We will define what types of expenses qualify towards the required spend and have the right to require you to submit reports and receipts showing that you have complied with the minimum spend requirement.

We will maintain a website for the System, and you may not maintain your own website for your Franchised Business. We encourage you to develop presence social media. The social media policy will include provisions both regarding to content, design, but also management of your accounts, and may require that we are either the owners of those accounts, or have co-administrative rights to the accounts.

Franchisee Advisory Council

We have not yet established a franchisee advisory council, but plan to do so in the future. Once established the advisory council is expected to provide support with respect to our advertising policies.

Advertising Fund

We have established a Brand Development Fund (the **"Brand Development Fund"**). The Brand Development Fund will be accounted for separately from our other funds. We will not use the Brand Development Fund to defray any of our general operating expenses, except for reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Brand Development Fund and all costs of research, development and preparing national, regional, point of sale and local advertising and marketing strategy materials for use within the System. The materials may be disseminated via radio, television, print media, Internet (including social media), or outdoor advertising. The Brand Development Fund Fee currently is 1% of your Adjusted Gross Sales, payable on a weekly basis, but may be increased by us up to 3% of your Gross Revenues. All Ginger Ale's locations owned by our affiliates, will contribute to the Brand Development Fund at the same percentage of Adjusted Gross Salesrequired of Franchisees within the System.

Our intention is to spend the entire Brand Development Fund Fee collected, provided that we have the right to carry over fees from year to year, if the entire fee from one year is not spent that year. The Brand Development Fund will be administered by us. When we establish a franchisee advisory council its board will serve in an advisory capacity to us, but we will have sole discretion over the concepts, materials, and media used in these programs and activities and their placement and allocation. In any calendar year we may spend more or less than the amount of aggregate contributions from all Ginger Ale's locations to the Brand Development Fund in that year, and the Brand Development Fund may borrow from us or from others to cover deficits or invest any surplus for future use. We will use all interest earned on monies contributed to the Brand Development Fund before we expend other assets of the Brand Development Fund. We will not audit the Brand Development Fund, but Franchisees may, upon written request to us, receive an annual accounting of how advertising fees are spent. Brand Development Fund contributions will not be principally used to sell additional franchises. (Franchise Agreement – Section 9.2).

Expenditures by the Brand Development Fund may not be proportionate or equivalent to contributions to the Brand Development Fund by Ginger Ale's locations operating in that geographic area. You or your Franchised Business may not benefit directly or in proportion to your contribution to the Brand Development Fund. Neither we, nor the Brand Development Fund would be liable to you for the maintenance, direction or administration of the Brand Development Fund, including for contributions, expenditures, investments or borrowings, except for acts constituting willful misconduct. The funds collected by the Brand Development Fund and any earnings thereon, are not and shall not be an asset of ours or of any Franchisee.

In lieu of charging a Brand Development Fund fee, and independent of the establishment of the Brand Development Fund, we may, at our option, charge you a fee on a project basis for marketing and advertising materials and projects prepared or undertaken for use by the System.

Advertising Cooperatives

We have not, but may in the future establish and maintain local and regional advertising cooperatives for geographic areas (each an **"Advertising Cooperative"**), in which you must participate. We will determine the area for each Advertising Cooperative, but generally the intention would be to set up the area so that franchisees in a region or area can pool advertising funds that benefit the group by undertaking joint advertising and marketing programs. Franchisees and our and our affiliates' Ginger Ales' locations who are members of the Advertising Cooperatives will all contribute on the same basis. The Advertising Cooperative fee will be no more than 2% of your Adjusted Gross Sales. If you are paying an Advertising Cooperative fee you will be able to off-set the Advertising Cooperative fee against the 2% minimum local marketing spend required under the Franchise Agreement against the Advertising Cooperative fee.

We will determine whether to form any Advertising Cooperatives, and if formed, we will decide if and how to change them, merge them, or dissolve them. We will be responsible for administering the Advertising Cooperative. We are not required to prepare written governing documents for any Advertising Cooperative, but if we do, the members of that Advertising Cooperative will be able to review the governing documents. The Advertising Cooperatives will prepare unaudited annual financial statements and those will be available to review by their members, once finalized.

Point of Sales System and Other Computer Systems

You must obtain and use the computer system which we require. Currently, this includes the CRISP point of sale and management system and terminals. You must use the most current version of that system. The initial cost of the computer system is estimated to be approximately $6,000 depending on the number of terminals, kitchen displays, printers, and additional software you choose to purchase**.** We have no contractual obligation to provide ongoing maintenance and repairs, or to upgrade or update any

hardware or software. There is a monthly fee payable for the use of the CRISP point of sale system of $399.99 per month that includes upgrades and updates to the software. You must also have a functioning email address so that we can send you notice and otherwise communicate with you. In addition, you must have a cell phone.

We have the right to obtain independent access to all of the data on your computer including but not limited to sales reports by category, department, menu item, inventory, cashier, lunch, dinner and hour on a daily, weekly and monthly basis.

In the future, we may require you to change, upgrade or modify the type of computer hardware and software at your expense. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We and our affiliates may condition any license of proprietary software to you or your use of technology that we or our affiliates may require, develop or maintain, on your signing an agreement or similar document that we, our affiliates or the vendor may require to regulate the use of the software. The technology fee you pay may cover some of the computer and software related expenses, but we are not required to use it towards location-specific computer equipment or software. You will have to implement the software, computer, and internet security procedures that are outlined in the Operations Manual from time to time. You may be required to use only approved hardware and software products and services, and to purchase or lease them only from approved vendors

Operations Manual

The table of contents of our Operations Manual is attached as **Exhibit D**. The manual has approximately 180 pages, plus appendices.

Training Program

We will provide you and your owners with pre-opening training at our corporate offices in Olney, Illinois, or at another location selected by us. Some or all of the classroom training may be provided virtually. The training will take approximately 25 days, which includes 15 days of classroom training and 10 days of on-the-job training at a Ginger Ale's location. The hours of training depend on your previous experience with restaurant operations. . We may require that up to 3 persons from you attend the training, including the Operating Principal and a general manager. Bringing more than 3 persons to training is subject to our approval, and we may limit the number of attendees due to space limitations.

The attendees must complete the Operation/Pre-Opening training and Management Training to our satisfaction before you can open your Franchised Business. If any of your attendees fail those portions of the training we have the right to terminate the Franchise Agreement. If you already operate one or more Ginger Ale's locations, we may waive the initial training requirement for one or more of the persons that would normally be required to participate, although we encourage corporate training to ensure consistency across the brand. There is no fee charged by us for the training described in the chart below, but you are responsible for all costs incurred by your attendees, such as travel and accommodation (and for their salaries).

All persons working in your Franchised Business must also obtain state sanitation certifications of the level commensurate to their responsibilities and you are responsible for all expenses you may incur in connection with obtaining such certifications.

TRAINING PROGRAM

Subject	Hours of Classroom Training[4]	Hours of On-The-Job Training[4]	Location

Orientation/Pre-Opening[1]	8	8	Our corporate office in Olney, Illinois, or another designated location
Management Training[2]	24-48	24-48	Our corporate office in Olney, Illinois, or another designated location
Field Training[3]	12-24	24-112	Your Ginger Ale's location

(1) **Orientation/Pre-Opening:** Your owners must attend Ginger Ale's orientation and pre-opening training program as soon as reasonably possible after signing your Franchise Agreement and before beginning site selection, if possible. This portion of the initial training is designed to introduce you the Ginger Ale's model, orient you to the Ginger Ale's culture, history, team and business flow, and educate you to efficiently manage your site selection, marketing and pre-opening activities. If you already operate one or more Ginger Ale's restaurants we may waive this part of the training.

(2) **Initial Management Training:** Your owners and managers must attend this training. It is conducted after you complete site selection, and within a reasonable amount of time before your scheduled opening date. All permits must be in place prior to attending the training. The initial management training course may include average 8 hours per day plus additional homework assignments, and will include topics such as advertising and marketing, food preparation, and building the brand in your community. You must attend and complete state sanitation certification training before this training.

(3) **Field Training:** We will send at least one Ginger Ale's training representative to your Franchised Business location, at no cost to you, for on-site training and assistance when you open the Franchised Business. The length of time the representative(s) will be on-site is expected to be between 6 and 10 days. On-site training and assistance will include additional training of personnel, purchasing and inventory management, POS training, and promotion and merchandising.

(4) If you have significant experience operating restaurants, the training hours would be towards the low end of the range of hours. If you have limited experience operating restaurants the training hours would be towards the high end of the range of hours.

We will organize the initial training program on an as-needed basis so that you and other new franchisees can complete the training before you open your Ginger Ale's locations. Training may be conducted just for your team, or may be combined with training for other new franchisees.

We will use various training materials as part of the training, including the Operations Manual and our recipes. The training is led by Mariah Inyart, an employee who has been involved in the operation of Ginger Ale's restaurants since our founders, Julie and Michael Hill, opened the first Ginger Ale's restaurant in 2015. Our other trainers all have a minimum of 2 years of experience with the operation of Ginger Ale's restaurants.

If you are not managing your Franchised Business yourself, but through a general manager, the general manager in charge of your Ginger Ale's location must have completed the initial training. If the general manager leaves your employment you must hire and train a new manager within 30 days. Depending on how long you have operated your Franchised Business and your experience we may allow you to train general managers yourself, but we always reserve the right to have the general manager

trained by us. All of your employees must pass the state approved sanitation certification program within 10 days of their hire.

We may, at our option, provide you with additional onsite training, if you request it. Currently, the charge for additional training and support is $350 per day, per trainer, plus their cost of travel and accommodation, though we may adjust the fee during the term of your Franchise Agreement. You may also request additional training at our locations. If we approve it, currently the fee will be $350 per day, and you will be responsible for the travel, accommodation, meals, and salaries for the persons attending.

We will offer periodic mandatory and optional additional and refresher training programs for you, your Owners, and Operating Principal. Mandatory refresher training is limited to 2 days per year. Refresher and additional training may be offered at any location designated by us, and may also be held virtually. The training may be offered in-person, at locations designated by us, or virtually. We may charge a reasonable fee for attending these training programs, intended to off-set our cost of the programs. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

We also have the right to require that you and your Owners attend a national business meeting or annual convention for our franchisees. We may charge a registration fee for attending. You will also be responsible for all costs incurred by your attendees, such as travel and accommodation.

ITEM 12

TERRITORY

Franchise Agreement:

Protected Area: You will operate your Franchised Business out of a specific location that must be approved by us. We will grant you a protected area for your Franchised Business (**"Protected Area"**). The Protected Area is typically defined by zip codes with a population of at least 15,000. If the population density is low in your area, we may instead grant you a Protected Area defined as a 1.5 mile radius from your approved location. The size of the Protected Area will remain the same throughout the term of your Franchise Agreement and there are no minimum sales volume, market penetration, or other contingency or conditions that affect the size of the Protected Area; provided, however, that Franchisee's failure to meet the Minimum Performance Threshold set forth in Section 2.8 of the Franchise Agreement may result in termination of the Franchise Agreement as described in Item 17 of this Disclosure Document. The Protected Area excludes certain types of locations (**"Captive Locations"**) even if they are located within the Protected Area. Captive Locations include enclosed shopping centers/malls, airports, train stations, amusement and theme parks, sport stadiums and arenas, colleges, and military bases.

Your Rights in the Protected Area: There are certain limitations to your Protected Area rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Generally, we will not open our own Ginger Ale's locations, or license our affiliates or any other franchisees to operate Franchised Businesses in your Protected Area. But, this protection excludes Franchised Businesses in Captive Locations, and we and other Ginger Ale's franchisees have the right to market and advertise in your Protected Area and to sell products and services to customers in the Protected Area. Also, we and our affiliates may use other channels of distribution (such as wholesale, sales through grocery stores, other retail stores, meal prep and meal delivery services, Internet, catalog sales, telemarketing, other direct marketing sales, and at temporary locations and events) to distribute Ginger Ale's products in your Protected Area, and if we develop another brand, restaurants and units of that brand may operate in your Protected Area or distribute products or services in your Protected Area. Neither we, nor our affiliates or other franchisees owe you any compensation for such sales in your Protected Area, but you also do not owe us or other franchisees any compensation if you service

customers outside of your Protected Area. Likewise, if you do not wish to service national or regional accounts, or are unable to do so, we may service those accounts ourselves, or assign them to an affiliate or another franchisee to services, even if the account is in your Protected Area.

Though we currently have no plans to do so, we reserve the right to market, sell, and license others to market and sell, similar products and services to those offered by your Franchised Business in your Protected Area, as long as they are offered under a different trademark.

Delivery and Offsite Sales: You may offer delivery and catering in your Protected Area. You must conduct all delivery and catering activities in accordance with the procedures that we specify in the Manual or otherwise in writing. All revenue from delivery and catering orders is part of your Adjusted Gross Sales. Since your Protected Area may overlap with protected areas of other franchisees we have the right to adjust the territory in which you can offer delivery and catering services. At your request, we may also consider granting you a larger area in which to offer delivery and catering. We will consider several different factors when deciding on granting you additional territory rights, including your performance of delivery services in the Protected Area, and if we believe that the delivery services are detracting from the quality of the products and services offered at your Franchised Business facility location. We may modify the standards and rules for delivery services from time to time.

We may also enter into agreements with third-party delivery providers, such as Uber Eats, GrubHub, or DoorDash, and may require you to participate in those delivery programs. You may not enter into any agreements with third-party delivery providers without our express, written consent.

You may also be approved by us to offer other offsite sales at specific locations, for example at events, or in more or less permanent satellite locations. Any such offsite sales must follow our then current standards and rules for such services. There is no guarantee that the same location will be approved on a continued basis.

Relocation, No Right of First Refusal, and How to Obtain Right to Open Additional Locations: You are not allowed to relocate your Franchised Business, or open any additional locations in the Protected Area without first obtaining our written consent, which we may withhold at our discretion. Given the cost we will incur in connection with approving and supporting a relocation, if your relocation is approved, we will charge you a relocation fee of 50% of the then current Initial Franchise Fee, for the relocation. The Franchise Agreement you sign with us is for one Franchised Business only, operated out of the approved locations. It doesn't grant you any right of first refusal. If you want to open more than one location you must apply to us for a franchise agreement for the additional location(s). We will evaluate your application the same as we evaluate all franchise application at that time.

Area Development Agreement:

Development Area: During the term of the Area Development Agreement, for as long as you are in full compliance with your obligations under the agreement and all of the Franchise Agreements between you (including any of your affiliates) and us, neither we nor any of our affiliates will operate Ginger Ale's locations, or grant a franchise to any third party to physically locate another Ginger Ale's location, in your Development Area, with certain exceptions. Because there are certain limitations to your Development Area rights and your rights are not exclusive. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. For example, we and our affiliates may use or license the System or may engage in or license any business activity, including, without limitation, the operation or franchising of Ginger Ale's locations at any location outside the Development Area, and/or under any other trade name, trademark or service mark now or hereafter owned by or licensed to us or our affiliates at any location inside or outside the Development Area, or to develop, merchandise, offer, sell, distribute, and license others to sell and distribute products or services under the Proprietary Marks through other channels and methods of distribution including wholesale, retail stores, grocery stores, meal preparation

and delivery services, online, directly to national accounts customers, print catalogues, direct marketing media and any other outlets, and to promote and sell products bearing the Proprietary Marks at special events, athletic contests, through temporary locations and mobile units, in all cases inside or outside of the Development Area; and acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not with Ginger Ale's locations) located anywhere or business conducted anywhere. Your territorial rights in the Development Area are limited to the operation of Ginger Ale's locations there and do not restrict us, our affiliates, or any franchisees or other third parties from advertising, marketing or otherwise promoting the System, or any other Ginger Ale's location, wherever located, in your Development Area. Likewise, you may promote your Ginger Ale's locations outside of the Development Area.

Once a Franchised Business has been established in the Development Area, your territorial rights with respect to that particular Franchised Business will be defined in the applicable Franchise Agreement.

The size of the Development Area is intended to reflect the population we deem appropriate for the number of Franchised Businesses you will be opening there. Consequently, if during the term the population in the Development Area changes, we have the right to adjust the size of the Development Area.

No Relocation, Nor Right of First Refusal, and How to Obtain Right to Open Additional Locations: You have no right to relocate the Development Area. The Area Development Agreement you sign with us is for an agreed upon number of Franchised Businesses in the Development Area. It doesn't grant you any right of first refusal in the Development Area or elsewhere. If you want to open more than the agreed upon number of locations, you must apply to us for a new area development agreement or franchise agreement for the additional location(s). We will evaluate your application the same as we evaluate all franchise application at that time.

Delivery and Offsite Sales: You may offer delivery and catering in your Protected Area. You must conduct all delivery and catering activities in accordance with the procedures that we specify in the Manual or otherwise in writing. All revenue from delivery and catering orders is part of your Adjusted Gross Sales. Since your Protected Area may overlap with protected areas of other franchisees we have the right to adjust the territory in which you can offer delivery and catering services. At your request, we may also consider granting you a larger area in which to offer delivery and catering. We will consider several different factors when deciding on granting you additional territory rights, including your performance of delivery services in the Protected Area, and if we believe that the delivery services are detracting from the quality of the products and services offered at your Franchised Business facility location. We may modify the standards and rules for delivery services from time to time.

We may also enter into agreements with third-party delivery providers, such as Uber Eats, GrubHub, or DoorDash, and may require you to participate in those delivery programs. You may not enter into any agreements with third-party delivery providers without our express, written consent.

You may also be approved by us to offer other offsite sales at specific locations, for example at events, or in more or less permanent satellite locations. Any such offsite sales must follow our then current standards and rules for such services. There is no guarantee that the same location will be approved on a continued basis.

Relocation, No Right of First Refusal, and How to Obtain Right to Open Additional Locations: You are not allowed to relocate your Franchised Business, or open any additional locations in the Protected Area without first obtaining our written consent, which we may withhold at our discretion. Given the cost we will incur in connection with approving and supporting a relocation, if your relocation is approved, we will charge you a relocation fee of 50% of the then current Initial Franchise Fee, for the relocation. The Franchise Agreement you sign with us is for one Franchised Business only, operated out of the approved locations. It doesn't grant you any right of first refusal. If you want to open more than one

location you must apply to us for a franchise agreement for the additional location(s). We will evaluate your application the same as we evaluate all franchise application at that time.

ITEM 13

TRADEMARKS

The Ginger Ale's System uses certain trademarks and associated logos and symbols (the "**Proprietary Marks**") to identify Franchised Businesses. We grant you the non-exclusive right to operate the Franchised Business under the Proprietary Marks. The principal Proprietary Marks you will currently be using for your Franchised Business are listed below. These marks are registered with the United States Patent and Trademark Office ("USPTO"):

Mark	Registration Number	Registration Date	Principal or Supplemental Register of USPTO
GINGER ALE'S	5442591	April 10, 2018	Principal
	5416949	March 6, 2018	Principal

These trademarks are registered by our affiliate, JMH Ventures, LLC ("**JMH**") JMH has filed all required affidavits of Continuing Use and Incontestability. JMH intends to renew the registrations prior to their expiration.

On April 22, 2021 we entered into a Trademark License Agreement with JMH permitting us to use, and to license our franchisees to use, the Proprietary Marks. Under the terms of the Trademark License Agreement we have a right for 25 years to use, and to sublicense to our franchisees, the Proprietary Marks, with one right of renewal for an additional 25 years. Upon termination of the Trademark License Agreement, franchisees can continue using the Proprietary Marks until the expiration or termination of the then current term of their Franchise Agreements (without any right of renewal or extension). There are no other agreements currently in effect which significantly limit our right to use or license the use of our marks in a manner material to the franchise.

We claim common law rights to our designs, logos and trade dress items including color schemes and appearance, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common-law trade secret and unfair competition, and copyright protection of materials and information you are granted the right to use under the Franchise Agreement.

You must follow our rules when you use the Proprietary Marks. You cannot use a name or mark as part of your entity name or with modifying words, designs or symbols, except for those which we license you to use. You cannot use any mark in connection with the performance or sale of any unauthorized services or products or in any manner we have not expressly authorized in writing.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administration of any state, or of any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the principal trademark.

There is no pending material federal or state court litigation regarding our use or ownership rights in any of the Proprietary Marks.

We intend to take reasonable steps to preserve and protect our ownership of the marks and their validity. We are not obligated to protect any rights granted to you to use the trademarks or to protect you against claims of infringement or unfair competition regarding the trademarks. Nevertheless, it may be in our best interest to do so.

You must notify us immediately when you learn about an infringement of, or challenge to, your use of the trademarks. We will take the action we think is appropriate. You must cooperate fully in prosecuting, defending, or settling any litigation involving the trademarks, including being named as a party in the action at our request. We will undertake the defense of the litigation and will bear the costs of the litigation, except for the costs of any legal counsel separately retained by you. If we require you to modify a trademark that we have previously required you to use, we will pay for your direct expenses associated with the removal of the old trademark and its replacement.

We do not know of any infringing uses that could materially affect your use of our principal marks. You must modify or discontinue the use of a trademark if we modify or discontinue the use of a trademark as a result of a proceeding or settlement. You also must not directly or indirectly contest our right to our trademarks, trade secrets, or business techniques that are part of our business. You must maintain the confidentiality of the Operations Manual and any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained in the manuals.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise.

We claim copyrights in the Operations Manual, advertising material and related items used in operating the franchise. Although we have not filed an application for a copyright registration for those items, we claim a copyright and the information is proprietary. We are not obligated to take any action to protect our copyrighted materials, but will respond to this information as we think appropriate.

The Operations Manual and other materials we provide to you contain our confidential and proprietary information. Certain information about the operation of the Franchised Business including the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is of a proprietary and confidential nature and our trade secret ("**Confidential Information**"). You (if you are an individual) and each of your Owners (if you are an entity), officers, directors, members, partners, manager, employees and agents must maintain the absolute confidentiality of all Confidential Information both during the term of your Franchise Agreement and after its termination or expiration and may use that Confidential Information only to the extent necessary to operate the Franchised Business. You cannot disclose that Confidential Information for any reason, except to your Owners, officers, directors, members, partners, managers, employees and agents only to the extent necessary for the operation of the Franchised Business. You must sign, and shall cause all persons receiving the Confidential Information to sign, the Confidentiality Agreement attached as **Exhibit K**. You cannot use any Confidential Information in any other business or in any other manner or obtain any benefit from it not specifically approved in writing by us during the term of your Franchise Agreement or afterwards. You may not use our Confidential Information in an unauthorized manner and must take all reasonable steps to prevent its disclosure to others. You must promptly tell us when you learn about unauthorized use of our confidential and proprietary information.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Though not required, we strongly encourage you to participate personally in the direct operation of your first Franchised Business. If there are several Owners, you must designate one of your owner as the Operating Principal. That person must own at least 10% of the equity in the franchisee. The Operating Principal must be approved by us as part of the franchise qualification process. The Operating Principal will be our primary contact for any operational issues for your Franchised Business. If the Operating Principal is no longer an Owner you must replace him or her within 30 days and submit their qualifications to us for review and approval.

If you have a General Manager, that person must successfully complete our initial training before the Franchised Business opens, or within 30 days of their hire for any General Manager that starts later. The General Manager will be required to sign the Confidentiality Agreement. The General Manager is not required to have any ownership interest in the Franchised Business.

If you are a legal entity, your owners (and their spouses) must personally guarantee your obligations under the Franchise Agreement and, if applicable, 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. The guarantee is included in the Franchise Agreement and Area Development Agreement.

Under the Area Development Agreement you may create a special purpose franchisee entity for each Franchised Business and its related Franchise Agreement provided that (i) you retain 51% or more of the equity in the franchisee entity, (ii) the owners of the franchisee entity are approved by us and (iii) the owners of the franchisee entity each execute the Owner's Guaranty and Owner's Acknowledgement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved (see Item 8). You must offer all goods and services that we designate as required for all franchisees. These include a large assortment of warm and cold beverages and snack foods such as soft pretzels and other snack items. All products must be prepared and offered consistent with the requirements set forth in the Operations Manual or otherwise by us. All products must be offered only at retail. No wholesale of products is permitted by the Franchised Business, except that if we develop a gallon products distribution model in your area, we may grant you the right to participate and sell gallon products.

We have the right to add additional goods or services that you are required to offer. There are no limits on our right to do so.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Franchise Agreement

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 3.1	10 years
b. Renewal or extension of the term	Section 3.2	2 terms of 5 years each
c. Requirements for franchisee to renew or extend	Section 3.2	You must: notify us within 12 months (but not more than 24 months) before the agreement expires of your request for a successor agreement; not be in default under the agreement; be current on all payments to us, our affiliates, and your suppliers; renovate the Location to our then-current standards; have the right to remain in possession of the Location or have found substitute premises; pay us a successor agreement fee; you and your guarantors must sign a general release.
d. Termination by franchisee	Not Applicable	Franchisee may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Sections 14.1.B - D	We can terminate only if you default.

Provision	Section in franchise or other agreement	Summary
g. Cause defined – curable defaults	Sections 14.1.D, 8.3 and 2.8.D	You generally have 10 days to cure nonpayment of fees and 30 days to cure failure to submit reports, provide information, maintain our standards or any other default not specified in Section 14. In addition, failure to meet the Minimum Performance Threshold of $500,000.00 in annualized Adjusted Gross Sales, measured monthly beginning in the thirteenth (13th) month of operation, is a curable default. Franchisee will receive a written internal advisement after the first month of projected underperformance and a formal Notice of Default after two (2) consecutive months of projected underperformance, with a ninety (90) day cure period. If you fail an inspection for any health or safety reason, we have the right to require that you temporarily close all or part of your Location until the dangers to health and safety have been remedied.

Provision	Section in franchise or other agreement	Summary
h. Cause defined – non-curable defaults	Sections 14.1.B and 14.1.C	Non-curable defaults: failure to timely begin construction of the Location, timely submit a site application, timely complete construction of the Location, timely open the Location, cease operating or abandon the Location, forfeit the right to do business where the Location is located, conviction of felony, unapproved transfers, improper use or disclosure of confidential information, false reporting or submissions to us, under-reporting Adjusted Gross Sales, repeated defaults even if cured, entry of judgment against you which remains unsatisfied for 30 days, levy against your business or Location, action brought to foreclose lien or mortgage against the Location premises or equipment which is not dismissed in 30 days, or you become insolvent, a receiver is appointed to take possession of your business or Location, you make a general assignment for the benefit of your creditors, you engage in public conduct that reflects materially and unfavorably upon the System, or the goodwill associated with the Marks, or you are in default under any other Franchise Agreement or other agreement with us or our affiliates which is not curable, or, if the default is curable, you have not cured the default within the cure period, or bankruptcy.
i. Franchisee's obligations on termination/non-renewal	Sections 15.1 - 15.4	Cease operating the Location; discontinue use of the Marks and advertising; complete deidentification as our Franchisee; transfer telephone numbers and listing to us; deliver all materials and documents for the Location to us; modification and alteration of Location; cease using the System and Manual; remove any sign that has our distinctive shape, color and/or design; allow us, at our option, to purge at your cost all your usable materials bearing the marks, and/or your office equipment, furniture, fixtures; sell movable signs to us at their fair market value, promptly pay all amounts due us including the liquidated damages set forth in Section 15; and maintain and preserve your financial and other records and make them available for our inspection. If we give you notice, sell the assets of the Location to us or our assignee. See State Addenda.

Provision	Section in franchise or other agreement	Summary
j. Assignment of contract by franchisor	Section 13.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Sections 1.2.NN and 13	Transfer means voluntary or involuntary assignment, sale, gift or other transfer of your Franchise Agreement or any of your rights or obligations as a Franchisee (your "Franchised Interest"), including (i) the transfer of ownership of your stock, partnership or limited liability company ownership interest; (ii) merger, reorganization, consolidation or issuances of additional securities representing an interest in your Franchised Interest of Location; (iii) sale of more than a 50% interest in your Franchised Interest; (iv) transfer of a Franchised Interest in a divorce, insolvency, corporate partnership dissolution or otherwise; (v) transfer of a Franchised Interest by will, trust or intestate succession; (vi) change in ownership or otherwise; (vii) any change in trustee or beneficial owner of a trust (if the trust is a Franchisee or has more than a 50% interest in the Franchised Interest); or (viii) any pledge, hypothecation or encumbrance of any Franchised Interest as security for an obligation.

Provision	Section in franchise or other agreement	Summary
l. Franchisor approval of transfer by franchisee	Section 13	You may not transfer your Agreement, your franchise, or any ownership interest in the franchise, the Location or a substantial portion of the Location's assets, without our consent, except under 4 circumstances. (1) If you sign as an individual, you can transfer your Agreement to a corporation, partnership or limited liability company if you maintain your same ownership interest in the new entity. (2) If you are a corporation, partnership or limited liability company, you may transfer an aggregate of up to 25% of your outstanding voting ownership interests to your employees who are actively engaged in the operations of the Location without our approval if the proposed transfer alone or together with other transfers will not have the effect of transferring a controlling ownership interest in you. (3) If you die or become incapacitated (and you are personally the Franchisee or the owner of more than 50% of the Franchisee), your executor or other personal representatives must transfer all your interests to a third party. With our consent, your personal representative may transfer all your interests to your spouse, parent, sibling, niece, nephew, descendent or spouse's descendant. (4) If you wish to transfer ownership by public or private offering, you must first obtain our written consent. We may withhold the consent in our sole discretion in the case of a public offering, and for a private offering will not unreasonably withhold it. Any other transfer is a change of ownership requiring a new application and payment of an application fee, and, if approved, an Initial Franchise Fee. If the transfer is of less than 50% of your ownership and does not transfer a controlling interest, no application fee or Initial Franchise Fee will be required.

Provision	Section in franchise or other agreement	Summary
m. Conditions for franchisor approval of transfer	Sections 13.6, 13.7, 13.8 and 13.10	For sales of securities or other interests by public or private offering, we may grant or deny approval based on whatever we deem to be in our best interests. For public offerings, you must pay us a $25,000 fee or such higher amount that covers our costs. For private offerings, you must pay us a $10,000 fee or such higher amount that covers our costs. If you seek a change of ownership, your proposed transferee has to apply for a new franchise. If approved, the transferee has to sign a new Franchise Agreement for the remainder of your current term and pay a transfer fee. We may also require that the new franchisee's owner sign a guarantee, that you sign a general release, that the Location is updated to then-current standards for new Ginger Ale's restaurants. With our consent, your personal representative may transfer all your interests to your spouse, parent, sibling, niece, nephew, descendant or spouse's descendant.
n. Franchisor's right of first refusal to acquire franchisee's business	Sections 13.5	Any transfer of ownership, other than from you (if you are an individual) to a corporation, partnership or limited liability company owned by you, is subject to our right of first refusal if: (a) the transfer price is below fair market value; or (b) the transfer relates to a Location that has failed inspections in the 12 months before the transfer offer is made and is not managed by us or our affiliate. We have the option for 30 days following our receipt of notice of transfer to exercise our right. We can purchase the ownership interest in Franchisee on the same terms as those offered by you to the third party.

Provision	Section in franchise or other agreement	Summary
o. Franchisor's option to purchase franchisee's business	Sections 14.3 and 15.1.I	Upon termination for any reason of the Franchise Agreement, we have the option for 30 days following the termination or expiration to purchase your assets at a price determined by 1 appraiser elected by us (though you may select a second appraiser at your expense, and if their evaluations are more than 10% apart, you will pay for a 3 appraiser to determine the final price). We also have the rights within 60 days following our receipt of your inventory list following termination or expiration of the Franchise Agreement, to purchase at fair market value, your supplies, FF&E, signage, and other materials bearing the Proprietary Marks.
p. Death or disability of franchisee	Sections 13.6 and 13.7	If you die or become incapacitated (and you are personally the Franchisee or the owner of more than 50% of the Franchisee), your executor or other legally appointed personal representative must appoint, within 30 days, an approved management company to operate the Location. Pending the appointment and subject to legal formalities, we can manage the Location. Your executor or other legally appointed personal representative must also transfer all your interests to a third party within 1 year. With our consent, your estate or legally appointed personal representative may transfer all your interest to your spouse, parent, sibling, direct descendant or spouse's direct descendant.
q. Non-competition covenants during the term of the franchise	Sections 7.12 and 11.12.A	You cannot use the Location premises for any purpose or activity except to operate the Franchised Business and you cannot use it to promote any competing business. During the term of the Franchise Agreement you may not compete with us by being associated with any business such as cafes, coffee shops, ice cream shops, restaurants and other businesses for which 25% or more of their revenue is derived from shakes, smoothies, fountain drinks, coffee, and coffee drinks, or that is otherwise similar to a System Location, no matter where located.

Provision	Section in franchise or other agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 11.12. B	For 2 years after any transfer, expiration, or termination of the Franchise Agreement, anywhere in your Protected Territory or the Protected Territory of any other System Location. The definition of what is a Competing Business is the same as for the in-term covenant not to compete.
s. Modification of the agreement	Section 20.1	No modifications generally unless in writing signed by you and one of our officers. However, our Manual is subject to change at our discretion.
t. Integration/merger clause	Section 20.1	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement are not enforceable.
u. Dispute resolution by arbitration or mediation	Section 19.1	All disputes must be mediated. Mediation occurs in the city where the Franchisor has its principal place, currently Olney, Illinois. The mediation proceedings are governed by rules of the American Arbitration Association. This provision may subject to applicable state law.
v. Choice of forum	Section 19.3	Litigation must be in state or federal courts in the place where the Franchisor maintains its principal place of business, currently Olney, Illinois (subject to applicable state law). See State Addenda.
w. Choice of law	Section 20.2	Illinois law applies (subject to applicable state law). See State Addenda

Area Development Agreement

Provision	Section in Agreement[(1)]	Summary
a. Length of the franchise term	Section 4.1	Until the date you open the Franchised Business under we accept and execute a Franchise Agreement for the last of the Franchised Businesses you are to establish under your Development Schedule, or if sooner, the date you open the last Franchised Business to be opened under the Development Schedule.
b. Renewal or extension of the term	Section 4.2	There is no renewal right.

Provision	Section in Agreement[1]	Summary
c. Requirements for franchisee to renew or extend	Not Applicable	
d. Termination by franchisee	Section 11.1	You can terminate if you have fully complied with your ADA and we have materially failed to comply with it and do not correct the failure within 120 days of our receipt of your written notice.
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Sections 11.2, 11.3, 11.4 and 19.4	We can only terminate if you are in default under your ADA.
g. Cause defined – curable defaults	Sections 11.4 and 14.4	Curable defaults have a 30 day cure period (10 days for payment default). If a force majeure delay exceeds 120 days, we can terminate the ADA.
h. Cause defined – non-curable defaults	Sections 11.2, 11.3 and 11.5	We can terminate if: you make an assignment for benefit of creditors, you file a petition in bankruptcy or one is filed against you and not dismissed within 60 days, or if you file a petition in bankruptcy or a liquidator, trustee or similar officer is appointed for you, or you commit any act of bankruptcy, or you admit in writing your inability to pay debts as they become due; your assets are seized or you give a security interest without our prior written consent; you willfully or fraudulently misrepresent any factor or condition in any application or report to us; you die or become incapacitated (or if an entity, your principal owner dies or become incapacitated), and a permitted Transfer is not made; or you adversely affect the goodwill associated with the Proprietary Marks or the Ginger Ale's location. If you fail to meet the obligations of your development schedule, you will lose the exclusive rights to your Territory and we can resell that area. We may also reduce the size of your Territory or the number of Franchised Businesses to be developed. You can maintain any existing Franchised Businesses that are established by a Franchise Agreement as long as you comply

Provision	Section in Agreement[1]	Summary
		with the terms of that Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	Section 11.6	You will have no right to establish or operate a Franchised Business for which a Franchise Agreement has not been executed at time of termination, expect that if you have signed a lease by your expiration date, you can continue to open a Franchised Business within 4 months of a lease signing.
j. Assignment of contract by franchisor	Section 10.1	We can assign, transfer or otherwise dispose of or deal with the ADA to anyone in our discretion. Upon transfer, we will be released from any liability under the ADA.
k. "Transfer" by franchisee – defined	Section 10.2	"Transfer" means to directly or indirectly sell, divide, encumber, assign, hypothecate, mortgage, sublicense, transfer through bequest, inheritance, transfer in trust, divorce or operation of law or by any other means, or otherwise dispose of the rights granted under your ADA, or any rights or privileges incidental to your ADA, or any Franchised Business or any interest in it, or your rights or interest in your ADA or by any of your owners of their ownership interest in you. You may not make a transfer to one of our competitors, or to a person operating a health club under a license or franchise from one of our competitors.
l. Franchisor approval of transfer by franchisee	Section 10.2	Our written approval is required for transfer to a third party.
m. Conditions for franchisor approval of transfer	Sections 10.2 and 10.3	We will only approve a transfer to a third party if the proposed transferee is acceptable to us, you are not in default of your ADA or other agreement with us, you have paid all amounts due to us and your trade creditors, you sign a general release, you pay a transfer fee of $5,000, the transferee assumes all your rights and obligations under your ADA. You can transfer to a corporation, limited liability company or other entity if you own 50% of the equity rights.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 10.4	We have a right of first refusal for 30 days to acquire your business if you get a bona fide written offer from a third party.

Provision	Section in Agreement[1]	Summary
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	Section 10.5	On your death or incapacity (or on the death or incapacity of a principal Owner if you are an entity), your heirs or personal representatives can transfer your rights to a third party acceptable to us within 9 months of your death or incapacity
q. Non-competition covenants during the term of the franchise	Sections 9.1, 9.3, and 9.4	Neither you or your Owners (if you are an entity) can own or be involved in a Competitive Business that offers health club services competitive to those we offer, franchise or license. You and your Owners can own and/or operate other commercial businesses other than cafes, coffee shops, ice cream shops, restaurants, and other businesses deriving revenue from the sale of beverage flavorings, shakes, smoothies, fountain drinks, lemonade, coffee/tea and coffee/tea drinks in the Development Area or an adjacent development area.
r. Non-competition covenants after the franchise is terminated or expires	Sections 9.2, 9.3 and 9.4	For 2 years after termination or expiration you and your owners (if an entity) cannot own or be involved in a Competitive Business within your ADA Development Area, or within 10 miles of any other Ginger Ale's location then in existence. The 1 year period is tolled if you are in breach of the covenant.
s. Modification of the agreement	Section 14.19	Modifications must be signed by both parties.
t. Integration/merger clause	Section 14.18	Only the terms of the ADA are binding (subject to state law). Any representations or promises outside the disclosure document and ADA may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 13.2	We each have the option of initiating a mediation proceeding under the American Arbitration Association Rules. Mediation will take place in the county and state where we have our principal place of business.

Provision	Section in Agreement[1]	Summary
v. Choice of forum	Section 13.3	Litigation must be in any state court of general jurisdiction in the county or state, or in the U.S. District Court for the district, in which we have our principal place of business. You will submit to the jurisdiction of those courts. See State Addenda.
w. Choice of law	Section 14.4	Illinois law applies. See State Addenda.

(1) "ADA" refers to the Area Development Agreement.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of the issuance date, we have 8 franchise locations,. The first location opened in 2015, and the most recent location opened in February 2024. Financial performance (from 2018-2023) representations are based on historical data from these locations, derived as specified above the relevant table. Further these affiliate owned locations do not differ materially from any outlets offered to prospective franchisees. Financial information for 2022 includes the two Olney locations, as well as the three locations opened in June, August and December of 2022.

The below chart shows the results for those locations for the calendar years listed. The 2023 through 2025 numbers are averages and medians of the locations.

Location Adjusted Gross Sales

					2023	2024	2025
Number of Units					6	12**	10

					2023	2024	2025
Average Adjusted Gross Sales From Top 25%					$699,912*	$657,787	$603,857
Median Adjusted Gross Sales From Top 25%					$393,446*	$675,836	$658,267

* Revenues from all stores open for a full year.
** Store openings in June, September and November included in the unit numbers and averages.

"Adjusted Gross Sales" means the total revenues attributable to, or derived from, the operation of the Franchised Business, whether such revenues are generated at the approved Location or through off-premises sales (including, but not limited to, catering, delivery, and third-party platforms). Adjusted Gross Sales shall include all income of every kind and nature related to the Franchised Business operations, whether received in cash, credit, barter, or otherwise, and regardless of whether such amounts have been collected in the case of credit transactions. For purposes of clarity, Adjusted Gross Sales shall be calculated as follows: Net Sales (defined as total sales minus sales tax, the initial sale of gift cards, and gratuities or tips retained by employees) plus Third-Party Sales revenue, plus the value of any authorized discounts or promotions applied at the point of sale, plus the value of any refunded sales transactions. The redemption of gift cards shall be included in Adjusted Gross Sales at the time of redemption, but the sale of gift cards is expressly excluded. Adjusted Gross Sales shall also include any income received through gift and loyalty programs, catering services, and proceeds from business interruption insurance (to the extent such proceeds are intended to replace lost sales or revenues). Adjusted Gross Sales shall be determined in accordance with the accounting methods and procedures specified in the Manual, as amended from time to time. If you are signing an Area Development Agreement, you will be required to execute the then-current form of Franchise Agreement in effect at the time you enter into each Franchise Agreement. Your Royalty Fee percentage under any such Franchise Agreement will be the percentage set forth in the then-current Franchise Agreement; provided, however, that such percentage shall not be greater than or less than the Royalty Fee percentage specified in your Area Development Agreement. Because Ginger Ale's restaurants offer primarily drive-thru services, the COVID pandemic had limited impact on the businesses. They were able to remain open throughout 2020 and continued to offer its menu items largely in the same way as in previous years.

Average Unit Sales Percentage Increase

The below chart shows the actual year over year Adjusted Gross Sales increase from 2017 to 2018 for our first Ginger Ale's restaurant, and then the average year over year increase of Gross Revenues for our two Ginger Ale's restaurants from 2018 to 2025.

Comparison Year	Number of Units	Average Percentage (Same Store Sales) Increase
2024-2025	10	-5.71%
2024-2023	12*	-17.94%**
2023-2022	9	44.67%
2022-2021	5	-76.69%
2021-2020	2	11.57%

2020-2019	2	24.45%
2019-2018	2	44.11%
2018-2017	1	9.17%

*** Store openings in June, September and November included in the unit numbers and averages.**
**** Revenues from the top 25% of stores open for a full year.**

Average Unit Food and Labor Percentages

The below chart shows the average food and labor cost as a percentage of Adjusted Gross Sales for the top 25% of stores open for a full year.

	Food/Paper Cost %	Labor Cost %
Average	29%	26%

Many factors will impact the performance of your Location including the size of your market, competition, whether your Location has the expanded hamburger menu offering, as well as other general factors, such as the location, your business acumen, how closely you follow System requirements, and other financial and operational characteristics of your Location.

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

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

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2023	3	9	+6
	2024	9	12	+3
	2025	12	10	-2
Company Owned				
	2023	2	0	-2
	2024	0	0	0
	2025	0	0	0
Total				
	2023	5	9	+4
	2024	9	12	+3
	2025	12	10	-2

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025*

State	Year	Number of Transfers
Total		
	2023	0

State	Year	Number of Transfers
	2024	0
	2025	0

Table 3

Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Illinois								
	2023	3	6	0	0	0	0	9
	2024	9	1	2	0	0	0	9
	2025	9	0	1	0	0	0	0
Indiana	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Totals								
	2023	3	6	0	0	0	0	9
	2024	9	3	2	0	0	0	12
	2025	12	0	2	0	0	0	10

Table 4

Status of Company-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Illinois							
	2023	2	0	0	0	2	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals							
	2023	2	0	0	0	2	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table 5

Projected Openings As Of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company – Owned Outlets in the Next Fiscal Year
Illinois	0	0	2
Indiana	1	2	0
Total	1	2	2

Attached as **Exhibit D** is a list of the names of all franchisees and their addresses and telephone number of all their outlets as of the issuance date of this franchise disclosure document.

Attached as **Exhibit E** is a list of the name, city and state and current business telephone number or last known home telephone of every franchisee who, in our most recent full fiscal year end; had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily closed to do business under the Franchise Agreement; or has not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Clauses

We don't have any franchisees who have signed confidentiality agreements prohibiting them from discussing their personal experiences with the franchise system.

Franchisee Associations

There are no trademark-specific franchise organization.

ITEM 21

FINANCIAL STATEMENTS

Our audited financial statement as of December 31, 2023, 2024 and 2025, and the related statements of income, changes in member's equity, and cash flows for the years ended December 31, 2023, 2024 and 2025 are attached to this Franchise Disclosure Document as **Exhibit F**.

ITEM 22

CONTRACTS

The following agreements are attached to this Franchise Disclosure Document:

(a) Costs and Sources of Funding
(b) Franchise Agreement - **Exhibit G**
(c) State specific Amendments to Franchise Agreement for franchisees in Illinois, Maryland, Minnesota, New York, North Dakota and Washington - **Exhibit H**

(d) Area Development Agreement – **Exhibit I**
(e) State specific Amendments to Area Development Agreement for franchisees in Illinois, Maryland, Minnesota, New York, North Dakota and Washington - **Exhibit J**
(f) Confidentiality Agreement **Exhibit K**
(g) General Release - **Exhibit L**

ITEM 23

RECEIPTS

The last 2 pages of this Disclosure Document are receipt pages. Please date and sign both copies immediately upon receipt. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

EXHIBIT A

LIST OF STATE ADMINISTRATORS

State Administrators

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws.

California

Department of Financial Protection and Innovation
State of California
320 West 4th Street
Suite 750
Los Angeles, California 90013
(213) 576-7500
(866) 275-2677

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
State of Hawaii
335 Merchant Street, Room 204
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland

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

Michigan

Franchise Unit
State of Michigan
Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Franchise Section
85 7th Place East
St. Paul, Minnesota 55101-2198
(612) 296-6328

New York

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

North Dakota

North Dakota Securities Department
State of North Dakota
Fifth Floor
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4140

Rhode Island

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

South Dakota

Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
Commonwealth of Virginia
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
State of Washington
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8738

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Commissioner of Securities
P.O. Box 1768
Madison, Wisconsin 53701-1768
(608) 266-8559

EXHIBIT B

AGENTS FOR SERVICE OF PROCESS

AGENTS AUTHORIZED TO RECEIVE SERVICE OF PROCESS, BY STATE

California

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
State of California
Suite 750
320 West 4th Street
Los Angeles, CA 90013-2344

Hawaii

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
State of Hawaii
335 Merchant Street
Room 204
Honolulu, Hawaii 96813

Illinois

Office of Attorney General
State of Illinois
500 South Second Street
Springfield, IL 62706

Indiana

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

Maryland

Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan

Michigan Department of Commerce
Corporation & Securities Bureau
6546 Mercantile Way
Lansing, MI 48909

Minnesota

Commissioner of Commerce
Minnesota Department of Commerce
Franchise Section
85 7th Place East
St. Paul, MN 55101-2198

New York

Secretary of State
State of New York
41 State Street
Albany, NY 12231

North Dakota

Securities Commissioner
State of North Dakota
5th Floor
600 East Boulevard Ave.
Bismarck, ND 58505-0510

Oregon

Department of Consumer and Business Services
Division of Finance and Corporate Securities
State of Oregon
350 Winter Street, N.E., Room 21
Portland, OR 97310

Rhode Island

Director of Business Regulation
Department of Business Regulation
Division of Securities
State of Rhode Island
233 Richmond Street, Suite 232
Providence, RI 02903

South Dakota

Franchise Administration
Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, South Dakota 57501

Virginia

Clerk of the State Corporation Commission
Commonwealth of Virginia
1300 E. Main Street, 1st Floor
Richmond, VA 23219

Washington

Director of Financial Institutions
Securities Division
State of Washington
150 Israel Rd., S.W.
Olympia, WA 98501

Wisconsin

Commissioner of Securities
Wisconsin Securities Commission
345 W. Washington Ave., 4th Floor
Madison, WI 53703

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EXHIBIT D

LIST OF FRANCHISEES

LIST OF FRANCHISEES
As of the FDD issuance date

Franchisee	Email Address	State	Telephone Number
BellKapp Foods, LLC	robinson@mygingerales.com	Illinois	618-469-3991
Bobes Pizza	mtcarmel@mygingerales.com	Illinois	Not Available
Drink Dynasty, Inc	drinkdynasty@mygingerales.com	Illinois	217-342-0254
M&M Mixers, LLC	mattoon@mygingerales.com	Illinois	217-235-6531
FiveLongSips, LLC	newburgh@mygingerales.com	Indiana	Not Available
Rural Knot, LLC	lawrenceville@mygingerales.com	Illinois	618-707-4069
RL Dock It, LLC	vincennes@mygingerales.com	Indiana	Not Available
The Woods Drink Company, LLC	terrehaute-south@mygingerales.com	Indiana	618-554-0881

EXHIBIT E

FRANCHISEES WHO LEFT SYSTEM OR HAVE NOT COMMUNICATED

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

The following franchisees left our system in our last fiscal year, or did not communicate with us within 10 weeks of the issuance date of this disclosure document:

Hawk's Infinite Blends, LLC*	lebanon@mygingerales.com	Indiana	Not Available
Gismo Management, LLC	savoy@mygingerales.com	Illinois	Not Available
JT & RS, LLC*	washington@mygingerales.com	Indiana	Not Available
Sip It Solutions, LLC	fairfield@mygingerales.com	Illinois	Not Available
Yellow Juice, LLC	Lauren.yellowjuice@gmail.com	Illinois	Not Available

*Denotes franchises that did not open.

EXHIBIT F

FINANCIAL STATEMENTS

Audited Financial Statements

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

Illinois Attorney General
Franchise Division
500 South Second St.
Springfield, IL 62706

CONSENT

Kemper CPA Group LLP, consents to the use in the Franchise Disclosure Document issued by GA Franchising, LLC on April 30, 2026, as it may be amended, of our report dated April 29, 2026 relating to the financial statements of Franchisor for the period ending December 31, 2025.

Very Truly Yours,

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

703 W. Main Street • P.O. Box 447 • Olney, IL 62450
Phone: (618) 395-2105 Fax: (618) 395-7079 kempercpa.com

GA FRANCHISING, LLC

FINANCIAL STATEMENTS
For the years ended
December 31, 2025 and 2024

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
GA Franchising, LLC

Opinion

We have audited the accompanying financial statements of GA Franchising, LLC (an Illinois Limited Liability Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Kemper CPA Group LLP
Certified Public Accountants and Consultants

April 29, 2026

FINANCIAL STATEMENTS

GA FRANCHISING, LLC
BALANCE SHEETS
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	$ 103,960	$ 195,764
Accounts receivable	42,894	12,619
Other current assets	20,000	-
Total Current Assets	166,854	208,383
Fixed Assets		
Equipment	48,981	-
Total fixed assets	48,981	-
Less: accumulated depreciation	(9,626)	-
Net fixed assets	39,355	-
Intangible assets	104,082	104,082
	104,082	104,082
TOTAL ASSETS	$ 310,291	$ 312,465
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 3,933	$ 3,606
Gift card liability	185,687	168,883
Current portion of deferred revenue	22,375	29,875
Accrued payroll	9,407	-
Sales tax liability	390	-
Payroll tax liabilities	5,439	-
Total Current Liabilities	227,231	202,364
Non-Current Liabilities		
Deferred revenue, net of current portion	133,052	203,344
Total Non-Current Liabilities	133,052	203,344
Members' Deficit	(49,992)	(93,243)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 310,291	$ 312,465

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2025 and 2024

	2025	2024
Revenue		
Franchise fees	$ 62,792	$ 36,750
Royalty fees	351,634	360,959
Gift card income	20,605	18,765
Food and beverage sales	19,055	-
Service income	35,023	-
Total Revenue	489,109	416,474
Cost of goods sold		
Food and beverage	6,304	-
Total cost of goods sold	6,304	-
Gross profit	482,805	416,474
Operating Expenses		
Advertising and marketing	30,388	69,899
Payroll expense	200,841	86,370
Bank and credit card charges	3,010	1,591
Franchisee expenses	200	986
Insurance expense	11,231	9,733
Dues and subscriptions	22,214	18,752
Small equipment	5,728	2,267
Management fees	1,188	88,510
Office supplies	2,279	683
Professional fees	45,648	47,873
Payroll taxes	17,990	8,941
Travel expenses	10,959	7,765
Utilities	731	1,568
Lease expenses	3,819	5,604
Training expenses	-	1,269
Repairs and maintenance	2,679	-
Fuel expense	259	-
Sales commission expense	11,505	-
Bad debt expense	40,449	-
Depreciation expense	9,626	-
Miscellaneous expense	9,624	4,609
Total Operating Expenses	430,368	356,420
Income from Operations	52,437	60,054
Other Income		
Miscellaneous income	3,814	2,626
Total Other Income	3,814	2,626
Net Income	$ 56,251	$ 62,680

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF MEMBERS' EQUITY (DEFICIT)
For the years ended December 31, 2025 and 2024

Balance - December 31, 2023	$	(71,223)
Net income		62,680
Members' distributions		(84,700)
Balance - December 31, 2024		(93,243)
Net income		56,251
Members' distributions		(13,000)
Balance - December 31, 2025	$	(49,992)

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Net income	$ 56,251	$ 62,680
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation expense	9,626	-
(Increase) decrease in:		
Accounts receivable	(30,275)	(9,828)
Other current assets	(20,000)	-
Increase (decrease) in:		
Accounts payable	327	(12,827)
Gift card liability	16,804	23,562
Deferred revenue	(77,792)	(51,750)
Salaries payable	9,407	-
Sales tax liability	390	-
Payroll tax liabilities	5,439	-
Net cash provided by (used in) operating activities	(29,823)	11,837
Cash flows from investing activities		
Cash payments for the purchase of equipment	(48,981)	-
Net cash used by investing activities	(48,981)	-
Cash Flows From Financing Activities:		
Member's distributions	(13,000)	(84,700)
Net cash provided by (used in) financing activities	(13,000)	(84,700)
Net Increase (Decrease) in Cash	(91,804)	(72,863)
Cash, Beginning of Year	195,764	268,627
Cash, End of Year	$ 103,960	$ 195,764

See notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

GA Franchising, LLC (referred to as the "Company") is an Illinois Limited Liability Company formed for the primary purpose of franchising Ginger Ale's beverage and food establishments in the United States. The Company was created on October 23, 2020. Two of GA Franchising LLC's founders owned two Ginger Ale's stores in Olney, IL until December 15, 2023.

B. Use of Estimates

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

C. Cash

GA Franchising, LLC maintains checking accounts with highly-qualified financial institutions in the United States. The deposit accounts are insured with the Federal Deposit Insurance Corporation up to $250,000. The Company had FDIC exposure of $0 and $0 for the years ended December 31, 2025 and 2024, respectively.

D. Accounts Receivable

Accounts receivable consists of royalties due from franchisees. The Company extends credit on a short-term basis to franchisees in the normal course of business. Accounts receivable are stated at their estimated collectible amounts and comprise amounts billed and currently due from franchisees. These uncollateralized franchisee obligations are due weekly. If any amount of accounts receivable is overdue, the franchisee is subject to a finance charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less.

The carrying amounts of accounts receivable are reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Since the Company's accounts receivable are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. Because of the nature of accounts receivable, the lack of any credit losses on accounts receivable, and the immaterial balance of accounts receivable, no allowance for credit losses has been recorded by the Company.

E. Equipment

Equipment is carried at cost. Depreciation of equipment is provided using the straight-line method for financial reporting purposes at rates based over their estimated useful lives of the equipment. Depreciation expense for the years ended December 31, 2025 and 2024 was $9,626 and $0, respectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Intangible Assets

Intangible assets consist of intellectual property rights (brand equity, technical knowledge, trade secrets, recipes, operational processes, and designs) contributed to the Company. Intangible assets deemed to possess indefinite lives are not subject to amortization, but are instead tested for impairment at least annually, and the Company is required to record any necessary impairment adjustments. No impairment charges were recorded for the years ended December 31, 2025 and 2024.

G. Gift Card Liability

The Company sells gift cards in the company and franchise-owned restaurants. The Company does not charge administrative fees on unused gift card balances, and gift cards have no expiration date. Gift card sales are recorded as a contract liability when sold, and revenue is recognized when gift cards are redeemed. Management adjusts the gift card liability annually for its estimate of gift card breakage, or the percentage of outstanding gift cards that it does not reasonably expect to redeem. The amount of gift card breakage is recorded as gift card income. The gift card liability for the years ended December 31, 2025 and 2024 was $185,687 and $168,883, respectively.

H. Deferred Revenue

Deferred revenue consists of amounts collected from franchisees in the form of initial franchise fees. These fees will be recognized on a straight-line basis over the term of the franchise agreement, which is generally 10 years. Amortization of the franchise fee begins on the date of the agreement.

I. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2025 and 2024 were $30,388 and $69,899, respectively.

J. Revenue Recognition

The Company's revenue mainly consists of franchise and royalty fees.

Franchise fees - The franchise agreements provide for an initial franchise fee. This fee gives individual franchisees the right to operate a Ginger Ale's location within a defined territory using the franchise name for a specified period of time, typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchise. Franchise revenues will be recognized straight-line over the term of the agreement and will begin on the date of the agreement. Franchise fees are not refundable under any circumstance. Eleven franchisees representing thirteen franchise locations had signed franchise agreements as of December 31, 2024. Ten franchisees representing thirteen franchise locations have signed franchise agreements as of December 31, 2025.

Franchise royalty fees – The franchise agreements also provide for continuing royalty payments based upon gross sales. A continuing royalty fee of 5% of weekly gross sales is assessed during the term of the agreement as well as a brand development fund fee of up to 3% of weekly gross sales (currently 1% of weekly gross sales) to cover marketing, advertising, and other promotional expenses of the Company from which the franchisee also benefits. A weekly technology fee of $25 is also assessed as part of each franchise agreement. All royalty fees are non-refundable and are recognized weekly as the fee is earned.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Revenue Recognition (Continued)

The Company has elected to recognize the following accounting policies with regards to revenues from contracts with customers: to recognize pre-opening services as a single performance obligation, to use the practical expedient for identifying performance obligations under ASU 2021-02, and to not adjust for the effects of a significant financing component, when applicable.

Concentration Risk – All of GA Franchising, LLC's franchises are currently concentrated in a two state geographic area. As of December 31, 2024, the Company had ten active franchise locations in Illinois and three active franchise locations in Indiana. As of December 31, 2025, the Company had eleven active franchise locations in Illinois and two active franchise locations in Indiana.

K. Income Taxes

The Company is organized as a limited liability company under the provisions of the Internal Revenue Code of the United States. The Company has elected to be taxed as a partnership. Consequently, all tax effects of the Company's income or loss are passed through to its members.

L. Revenues from Contracts with Customers

Accounts Receivable and Deferred Revenue

The Company had the following accounts receivable and contract liabilities as of December 31:

	Accounts Receivable		Deferred Revenue	
	2025	2024	2025	2024
January 1	$ 12,619	$ 2,791	$ 233,219	$ 284,969
December 31	$ 42,894	$12,619	$ 155,427	$ 233,219

The end of the year contract liabilities represent franchise fees collected from franchisees that are unearned as of December 31, 2025 and 2024. The Company's estimated revenues expected to be recognized in the future related to contract liabilities as of December 31, 2025 are as follows:

For the year ending December 31,	
2026	$ 22,375
2027	22,375
2028	22,375
2029	22,375
2030	22,375
Thereafter	43,552
	$ 155,427

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Disaggregated Revenues from Contracts with Customers

Contract revenues from contracts with customers comprised the following for the years ended December 31:

	2025	2024
Franchise fees	$ 62,792	$ 36,750
Royalty Fees	351,634	360,959
Total	$ 414,426	$ 397,709

Franchise fees are recognized over time, and royalty fees are recognized at a point in time. The Company's revenues are largely influenced by the economies of the franchise locations and their residents' desire and ability to frequent the establishments.

NOTE 2: RELATED PARTY TRANSACTIONS

For the years ended December 31, 2025 and 2024, the Company paid management fees of $0 and $0, respectively, to a company owned indirectly by one of the members.

GA Franchising, LLC had the following receivables and payables with related parties at December 31:

	2025		2024	
	Receivables	Payables	Receivables	Payables
GA Resources	$ -	$ 1,112	$ -	$ -
Franchisees	62,894	-	12,619	26
	$ 62,894	$ 1,112	$ 12,619	$ 26

GA Franchising, LLC had the following income and expenses with related parties during the year ended December 31:

	2025		2024	
	Income	Expenses	Income	Expenses
GA Resources	$ -	$ 10,849	$ -	$ 11,489
Franchisees	470,054	25,920	416,474	108,704
Owners	-	27,000	-	30,000
	470,054	$ 63,769	$ 416,474	$ 150,193

NOTE 3: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 29, 2026. On January 7, 2026, GA Franchising finalized the termination of their agreement with one of their franchisees. As such, the Company recognized the entire remaining initial franchise fee of $18,125 from this specific franchisee as earned in the year ending December 31, 2025.

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

Illinois Attorney General
Franchise Division
500 South Second St.
Springfield, IL 62706

CONSENT

Kemper CPA Group LLP, consents to the use in the Franchise Disclosure Document issued by GA Franchising, LLC on April 29, 2025, as it may be amended, of our report dated April 23, 2025 relating to the financial statements of Franchisor for the period ending December 31, 2024.

Very Truly Yours,

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

703 W. Main Street • P.O. Box 447 • Olney, IL 62450
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GA FRANCHISING, LLC

FINANCIAL STATEMENTS
For the years ended
December 31, 2024 and 2023

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KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
GA Franchising, LLC

Opinion

We have audited the accompanying financial statements of GA Franchising, LLC (an Illinois Limited Liability Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

703 W. Main Street • P.O. Box 447 • Olney, IL 62450
Phone: (618) 395-2105 Fax: (618) 395-7079 kempercpa.com

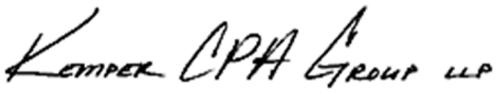
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Kemper CPA Group LLP
Certified Public Accountants and Consultants

April 23, 2025

FINANCIAL STATEMENTS

GA FRANCHISING, LLC
BALANCE SHEETS
Deceber 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	$ 195,764	$ 268,627
Accounts receivables	12,619	2,791
Total Current Assets	208,383	271,418
Intangible assets	104,082	104,082
	104,082	104,082
TOTAL ASSETS	$ 312,465	$ 375,500
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 3,606	$ 16,433
Gift card liability	168,883	145,321
Current portion of deferred revenue	29,875	32,375
Total Current Liabilities	202,364	194,129
Non-Current Liabilities		
Deferred revenue, net of current portion	203,344	252,594
Total Non-Current Liabilities	203,344	252,594
Members' Deficit	(93,243)	(71,223)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 312,465	$ 375,500

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2024 and 2023

	2024	2023
Revenue		
Franchise fees	$ 36,750	$ 31,781
Royalty fees	360,959	215,803
Gift card income	18,765	14,194
Total Revenue	416,474	261,778
Operating Expenses		
Advertising and marketing	69,899	22,549
Payroll expense	86,370	-
Bank and credit card charges	1,591	1,202
Franchisee expenses	986	169
Insurance expense	9,733	4,942
Dues and subscription expenses	18,752	6,960
Small equipment expenses	2,267	1,364
Management fees	88,510	152,733
Office supplies	683	325
Professional fees	47,873	54,542
Payroll taxes	8,941	-
Travel expenses	7,765	6,751
Utilities expenses	1,568	3,454
Lease expenses	5,604	7,150
Training expenses	1,269	2,037
Miscellaneous expense	4,609	845
Total Operating Expenses	356,420	265,023
Income (Loss) from Operations	60,054	(3,245)
Other Income		
Interest income	2,626	477
Total Other Income	2,626	477
Net Income (Loss)	$ 62,680	$ (2,768)

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF MEMBERS' EQUITY (DEFICIT)
For the years ended December 31, 2024 and 2023

Balance - December 31, 2022	$	(10,955)
Net loss		(2,768)
Members' distributions		(57,500)
Balance - December 31, 2023		(71,223)
Net income		62,680
Members' distributions		(84,700)
Balance - December 31, 2024	$	(93,243)

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities:		
Net income (loss)	$ 62,680	$ (2,768)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable	(9,828)	(366)
Increase (decrease) in:		
Accounts payable	(12,827)	16,236
Gift card liability	23,562	70,144
Deferred revenue	(51,750)	96,969
Net cash provided by (used in) operating activities	11,837	180,215
Cash Flows From Financing Activities:		
Member's distributions	(84,700)	(57,500)
Net cash provided by (used in) financing activities	(84,700)	(57,500)
Net Increase (Decrease) in Cash	(72,863)	122,715
Cash, Beginning of Year	268,627	145,912
Cash, End of Year	$ 195,764	$ 268,627

See notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

GA Franchising, LLC (referred to as the "Company") is an Illinois Limited Liability Company formed for the primary purpose of franchising Ginger Ale's beverage and food establishments in the United States. The Company was created on October 23, 2020. Two of GA Franchising LLC's founders owned two Ginger Ale's stores in Olney, IL until December 15, 2023.

B. Use of Estimates

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

C. Cash

GA Franchising, LLC maintains checking accounts with highly-qualified financial institutions in the United States. The deposit accounts are insured with the Federal Deposit Insurance Corporation up to $250,000. The Company had FDIC exposure of $0 and $11,354 for the years ended December 31, 2024 and 2023, respectively.

D. Accounts Receivable

Accounts receivable consists of royalties due from franchisees. The Company extends credit on a short-term basis to franchisees in the normal course of business. Accounts receivable are stated at their estimated collectible amounts and comprise amounts billed and currently due from franchisees. These uncollateralized franchisee obligations are due weekly. If any amount of accounts receivable is overdue, the franchisee is subject to a finance charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less.

The carrying amounts of accounts receivable are reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Since the Company's accounts receivable are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. Because of the nature of accounts receivable, the lack of any credit losses on accounts receivable, and the immaterial balance of accounts receivable, no allowance for credit losses has been recorded by the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Intangible Assets

Intangible assets consist of intellectual property rights (brand equity, technical knowledge, trade secrets, recipes, operational processes, and designs) contributed to the Company. Intangible assets deemed to possess indefinite lives are not subject to amortization, but are instead tested for impairment at least annually, and the Company is required to record any necessary impairment adjustments. No impairment charges were recorded for the years ended December 31, 2024 and 2023.

F. Gift Card Liability

The Company sells gift cards in the company and franchise-owned restaurants. The Company does not charge administrative fees on unused gift card balances, and gift cards have no expiration date. Gift card sales are recorded as a contract liability when sold, and revenue is recognized when gift cards are redeemed. Management adjusts the gift card liability annually for its estimate of gift card breakage, or the percentage of outstanding gift cards that it does not reasonably expect to redeem. The amount of gift card breakage is recorded as gift card income. The gift card liability for the years ended December 31, 2024 and 2023 was $168,883 and $145,321, respectively.

G. Deferred Revenue

Deferred revenue consists of amounts collected from franchisees in the form of initial franchise fees. These fees will be recognized on a straight-line basis over the term of the franchise agreement, which is generally 10 years. Amortization of the franchise fee will begin on the date of the agreement.

H. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2024 and 2023 were $69,899 and $22,549, respectively.

I. Revenue Recognition

The Company's revenue mainly consists of franchise and royalty fees.

Franchise fees - The franchise agreements provide for an initial franchise fee. This fee gives individual franchisees the right to operate a Ginger Ale's location within a defined territory using the franchise name for a specified period of time, typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchise. Franchise revenues will be recognized straight-line over the term of the agreement and will begin on the date of the agreement. Franchise fees are not refundable under any circumstance. Eight franchisees had signed franchise agreements as of December 31, 2023. Eleven franchisees representing fourteen franchise locations have signed franchise agreements as of December 31, 2024.

Franchise royalty fees – The franchise agreements also provide for continuing royalty payments based upon gross sales. A continuing royalty fee of 5% of weekly gross sales is assessed during the term of the agreement as well as a brand development fund fee of up to 3% of weekly gross sales (currently 1% of weekly gross sales) to cover marketing, advertising, and other promotional expenses of the Company from which the franchisee also benefits. A weekly technology fee of $25 is also assessed as part of each franchise agreement. All royalty fees are non-refundable and are recognized weekly as the fee is earned.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Revenue Recognition (Continued)

The Company has elected to recognize the following accounting policies with regards to revenues from contracts with customers: to recognize pre-opening services as a single performance obligation, to use the practical expedient for identifying performance obligations under ASU 2021-02, and to not adjust for the effects of a significant financing component, when applicable.

Concentration Risk – All of GA Franchising, LLC's franchises are currently concentrated in a two state geographic area. As of December 31, 2023, the Company had nine active and two pending franchise locations in Illinois and three pending franchise locations in Indiana. As of December 31, 2024, the Company had ten active franchise locations in Illinois and three active franchise locations in Indiana.

J. Income Taxes

The Company is organized as a limited liability company under the provisions of the Internal Revenue Code of the United States. The Company has elected to be taxed as a partnership. Consequently, all tax effects of the Company's income or loss are passed through to its members.

K. Revenues from Contracts with Customers

Accounts Receivable and Deferred Revenue

The Company had the following accounts receivable and contract liabilities as of December 31:

	Accounts Receivable		Deferred Revenue	
	2024	2023	2024	2023
January 1	$ 2,791	$ 2,425	$ 284,969	$ 188,000
December 31	$ 12,619	$ 2,791	$ 233,219	$ 284,969

The end of the year contract liabilities represent franchise fees collected from franchisees that are unearned as of December 31, 2024 and 2023. The Company's estimated revenues expected to be recognized in the future related to contract liabilities as of December 31, 2024 are as follows:

For the year ending December 31,	
2025	$ 29,875
2026	29,875
2027	29,875
2028	29,875
2029	29,875
Thereafter	83,844
	$ 233,219

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Disaggregated Revenues from Contracts with Customers

Contract revenues from contracts with customers comprised the following for the years ended December 31:

	2024	2023
Franchise fees	$ 36,750	$ 31,781
Royalty Fees	360,959	215,803
Total	$ 397,709	$ 247,584

Franchise fees are recognized over time, and royalty fees are recognized at a point in time. The Company's revenues are largely influenced by the economies of the franchise locations and their residents' desire and ability to frequent the establishments.

NOTE 2: RELATED PARTY TRANSACTIONS

For the years ended December 31, 2024 and 2023, the Company paid management fees of $0 and $152,733, respectively, to a company owned indirectly by one of the members.

GA Franchising, LLC had the following receivables and payables with related parties at December 31:

	2024		2023	
	Receivables	Payables	Receivables	Payables
GA Resources	$ -	$ -	$ -	$ 136
Franchisees	12,619	26	2,791	40
	$ 12,619	$ 26	$ 2,791	$ 176

GA Franchising, LLC had the following income and expenses with related parties during the year ended December 31:

	2024		2023	
	Income	Expenses	Income	Expenses
GA Resources	$ -	$ 11,489	$ -	$ 11,492
Franchisees	416,474	108,704	261,778	160,284
Owners	-	30,000	-	-
	$ 416,474	$ 120,193	$ 261,778	$ 171,776

NOTE 3: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 23, 2025, and determined that no other events occurred that require disclosure.

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

Illinois Attorney General
Franchise Division
500 South Second St.
Springfield, IL 62706

CONSENT

Kemper CPA Group LLP, consents to the use in the Franchise Disclosure Document issued by GA Franchising, LLC on May 28, 2024, as it may be amended, of our report dated May 3, 2024 relating to the financial statements of Franchisor for the period ending December 31, 2023.

Very Truly Yours,

Kemper CPA Group LLP

Kemper CPA Group LLP
Certified Public Accountants and Consultants

703 W. Main Street • P.O. Box 447 • Olney, IL 62450
Phone: (618) 395-2105 Fax: (618) 395-7079 kempercpa.com

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Members
GA Franchising, LLC

Opinion

We have audited the accompanying financial statements of GA Franchising, LLC (an Illinois Limited Liability Company), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of GA Franchising, LLC as of December 31, 2022 were audited by other auditors whose reported dated April 25, 2023 expressed an unmodified opinion on those statements.

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

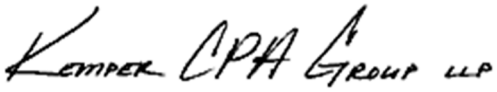
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Kemper CPA Group LLP
Certified Public Accountants and Consultants

May 3, 2024

FINANCIAL STATEMENTS

GA FRANCHISING, LLC
BALANCE SHEETS
Deceber 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash	$ 268,627	$ 145,912
Accounts receivables	2,791	2,425
Total Current Assets	271,418	148,337
Intangible assets	104,082	104,082
	104,082	104,082
TOTAL ASSETS	$ 375,500	$ 252,419
LIABILITIES AND MEMBERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 16,433	$ 197
Gift card liability	145,321	75,177
Current portion of deferred revenue	32,375	19,500
Total Current Liabilities	194,129	94,874
Non-Current Liabilities		
Deferred revenue, net of current portion	252,594	168,500
Total Non-Current Liabilities	252,594	168,500
Members' Deficit	(71,223)	(10,955)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 375,500	$ 252,419

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF OPERATIONS
For the years ended December 31, 2023 and 2022

	2023	2022
Revenue		
Franchise fees	$ 31,781	$ 7,000
Royalty fees	215,803	45,568
Gift card income	14,194	-
Total Revenue	261,778	52,568
Operating Expenses		
Advertising and marketing	22,549	3,051
Bank and credit card charges	1,202	374
Franchise fees	169	451
General and administrative expenses	13,266	3,071
Management fees	152,733	79,515
Office supplies	325	433
Professional fees	54,542	29,433
Travel expenses	6,751	5,376
Utilities expenses	3,454	-
Lease expenses	7,150	-
Training expenses	2,037	-
Miscellaneous expesnse	845	581
Total Operating Expenses	265,023	122,285
Loss from Operations	(3,245)	(69,717)
Other Income		
Interest income	477	-
Total Other Income	477	-
Net Loss	$ (2,768)	$ (69,717)

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF MEMBERS' EQUITY (DEFICIT)
For the years ended December 31, 2023 and 2022

Balance - December 31, 2021	$	119,362
Net loss		(69,717)
Members' distributions		(60,600)
Balance- December 31, 2022		(10,955)
Net loss		(2,768)
Members' distributions		(57,500)
Balance - December 31, 2023	$	(71,223)

See notes to the financial statements

GA FRANCHISING, LLC
STATEMENTS OF CASH FLOW
For the years ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities:		
Net loss	$ (2,768)	$ (69,717)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Accounts receivable	(366)	(2,425)
Increase (decrease) in:		
Accounts payable	16,236	197
Gift card liability	70,144	73,473
Deferred revenue	96,969	163,000
Net cash provided by (used in) operating activities	180,215	164,528
Cash Flows From Financing Activities:		
Member's distributions	(57,500)	(60,600)
Net cash provided by (used in) financing activities	(57,500)	(60,600)
Net Increase in Cash	122,715	103,928
Cash, Beginning of Year	145,912	41,984
Cash, End of Year	$ 268,627	$ 145,912

See notes to the financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

GA Franchising, LLC (referred to as the "Company") is an Illinois Limited Liability Company formed for the primary purpose of franchising Ginger Ale's beverage and food establishments in the United States. The Company was created on October 23, 2020. Two of GA Franchising LLC's founders owned two Ginger Ale's stores in Olney, IL until December 15, 2023.

B. Use of Estimates

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

C. Cash

GA Franchising, LLC maintains checking accounts with highly-qualified financial institutions in the United States. The deposit accounts are insured with the Federal Deposit Insurance Corporation up to $250,000. The Company had FDIC exposure of $11,354 and $0 for the years ended December 31, 2023 and 2022, respectively.

D. Accounts Receivable

On January 1, 2023, the Company adopted the new accounting guidance related to the allowance for credit losses on accounts receivable. The impact of adoption of this standard was not material to the financial statements and had no impact on the opening balance of retained earnings.

Accounts receivable consists of royalties. The Company extends credit on a short-term basis to franchisees in the normal course of business. Accounts receivable are stated at their estimated collectible amounts and comprise amounts billed and currently due from franchisees. These uncollateralized franchisee obligations are due weekly. If any amount of accounts receivable is overdue, the franchisee is subject to a finance charge on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less.

The carrying amounts of accounts receivable are reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Since the Company's accounts receivable are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. Because of the nature of accounts receivable, the lack of any credit losses on accounts receivable, and the immaterial balance of accounts receivable, no allowance for credit losses has been recorded by the Company.

The balance of accounts receivable as of January 1, 2022 was $0.

E. Intangible Assets

Intangible assets consist of intellectual property rights (brand equity, technical knowledge, trade secrets, recipes, operational processes, and designs) contributed to the Company. Intangible assets deemed to possess indefinite lives are not subject to amortization, but are instead tested for impairment at least annually, and the Company is required to record any necessary impairment adjustments. No impairment charges were recorded for the years ended December 31, 2023 and 2022.

F. Gift Card Liability

The Company sells gift cards in the company and franchise-owned restaurants. The Company does not charge administrative fees on unused gift card balances, and gift cards have no expiration date. Gift card sales are recorded as a contract liability when sold, and revenue is recognized when gift cards are redeemed. Management adjusts the gift card liability annually for its estimate of gift card breakage, or the percentage of outstanding gift cards that it does not reasonably expect to redeem. The amount of gift card breakage is recorded as gift card income. The gift card liability for the years ended December 31, 2023 and 2022 was $145,321 and $75,177, respectively.

G. Deferred Revenue

Deferred revenue consists of amounts collected from franchisees in the form of initial franchise fees. These fees will be recognized on a straight-line basis over the term of the franchise agreement, which is generally 10 years. Amortization of the franchise fee will begin on the date of the agreement.

H. Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2023 and 2022 were $22,549 and $3,051, respectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Revenue Recognition

The Company's revenue mainly consists of franchise and royalty fees.

Franchise fees - The franchise agreements provide for an initial franchise fee. This fee gives individual franchisees the right to operate a Ginger Ale's location within a defined territory using the franchise name for a specified period of time, typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchise. Franchise revenues will be recognized straight-line over the term of the agreement and will begin on the date of the agreement. Franchise fees are not refundable under any circumstance. Eight franchisees had signed franchise agreements as of December 31, 2022. Eleven franchisees representing fourteen franchise locations have signed franchise agreements as of December 31, 2023.

Franchise royalty fees – The franchise agreements also provide for continuing royalty payments based upon gross sales. A continuing royalty fee of 5% of weekly gross sales is assessed during the term of the agreement as well as a brand development fund fee of up to 3% of weekly gross sales (currently 1% of weekly gross sales) to cover marketing, advertising, and other promotional expenses of the Company from which the franchisee also benefits. A weekly technology fee of $25 is also assessed as part of each franchise agreement. All royalty fees are non-refundable and are recognized weekly as the fee is earned.

The Company has elected to recognize the following accounting policies with regards to revenues from contracts with customers: to recognize pre-opening services as a single performance obligation, to use the practical expedient for identifying performance obligations under ASU 2021-02, and to not adjust for the effects of a significant financing component, when applicable.

J. Income Taxes

The Company is organized as a limited liability company under the provisions of the Internal Revenue Code of the United States. The Company has elected to be taxed as a partnership. Consequently, all tax effects of the Company's income or loss are passed through to its members.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. REVENUES FROM CONTRACTS WITH CUSTOMERS

Accounts Receivable and Deferred Revenue

The Company had the following accounts receivable and contract liabilities as of December 31:

	Accounts Receivable		Deferred Revenue	
	2023	2022	2023	2022
January 1	$ 2,425	$ -	$ 188,000	$ 25,000
December 31	$ 2,791	$ 2,425	$ 252,594	$ 188,000

The end of the year contract liabilities represent franchise fees collected from franchisees that are unearned as of December 31, 2023 and 2022. The Company's estimated revenues expected to be recognized in the future related to contract liabilities as of December 31, 2023 are as follows:

For the year ending December 31,	
2024	$ 32,375
2025	32,375
2026	32,375
2027	32,375
2028	32,375
Thereafter	123,094
	$ 284,969

L. Disaggregated Revenues from Contracts with Customers

Contract revenues from contracts with customers comprised the following for the years ended December 31:

	2023	2022
Franchise fees	$ 31,781	$ 7,000
Royalty Fees	215,803	45,568
Total	$ 247,584	$ 52,568

Franchise fees are recognized over time, and royalty fees are recognized at a point in time. The Company's revenues are largely influenced by the economies of the franchise locations and their residents' desire and ability to frequent the establishments.

NOTE 2: RELATED PARTY TRANSACTIONS

For the years ended December 31, 2023 and 2022, the Company paid management fees of $152,733 and $79,515, respectively, to a company owned indirectly by one of the members.

GA Franchising, LLC had the following receivables and payables with related parties at December 31, 2023:

	Receivables	Payables
GA Resources	$ -	$ 136
Franchisees	2,791	40
	$ 2,791	$ 176

GA Franchising, LLC had the following receipts and disbursements with related parties during the year ended December 31, 2023:

	Receipts	Disbursements
GA Resources	$ -	$ 11,492
Franchisees	385,453	160,284
	$ 385,453	$ 171,776

NOTE 3: SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 3, 2024, and determined that no other events occurred that require disclosure.

GA Franchising, LLC

Balance Sheet

As of June 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
100-100 Midland States Bank - 200004141	7,173.17
100-105 TrustBank GC - (17771720)	32,951.15
100-107 Trustbank - GCMM (17530416)	50,000.00
100-110 Trust Bank - Main Acct (17772105)	56,105.01
100-115 Trustbank - BF (17774074)	34,632.05
100-119 Petty Cash	0.00
Total Bank Accounts	**$180,861.38**
Accounts Receivable	
100-130 Accounts Receivable	0.00
Total Accounts Receivable	**$0.00**
Other Current Assets	
100-120 Undeposited Funds	0.00
Total Other Current Assets	**$0.00**
Total Current Assets	**$180,861.38**
Fixed Assets	
100-200 Accumulated Depreciation	0.00
Total Fixed Assets	**$0.00**
Other Assets	
100-140 Intellectual Property	104,082.00
100-145 Start-up Costs	12.95
Total Other Assets	**$104,094.95**
TOTAL ASSETS	**$284,956.33**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	14,819.36
Total Accounts Payable	**$14,819.36**
Credit Cards	
200-101 Chase Ink (Reconcile)	1,437.11
Total Credit Cards	**$1,437.11**
Other Current Liabilities	
200-340 National Gift Card Liablities	113,203.97
200-344 Current Portion Franchise Fees Retained	32,375.00
200-345 Franshise Fees Retained	187,593.75
300-320 Payroll Liabilities	2,318.20
Direct Deposit Payable	0.00

GA Franchising, LLC

Balance Sheet

As of June 30, 2024

	TOTAL
Total Other Current Liabilities	**$335,490.92**
Total Current Liabilities	**$351,747.39**
Total Liabilities	**$351,747.39**
Equity	
300-100 Members Equity	-109,454.46
300-200 Opening Balance Equity	-328.28
300-300 Retained Earnings	-11,027.05
Net Income	54,018.73
Total Equity	**$ -66,791.06**
TOTAL LIABILITIES AND EQUITY	**$284,956.33**

GA Franchising, LLC

Profit and Loss

April - June, 2024

	TOTAL
Income	
400-152 Other Non-Operating Income	636.49
400-200 Franchise Royalties	83,396.12
400-300 Brand Management Fund	16,866.41
400-400 Technology Fund	3,725.00
Total Income	**$104,624.02**
GROSS PROFIT	**$104,624.02**
Expenses	
600-100 Advertising	18,405.79
600-200 Payroll Expenses	6,929.67
600-201 Employee Expenses/Mgmt Fees	37,104.99
600-300 Insurance Expenses	8,232.59
600-400 Lease Expenses	1,665.00
600-600 Merchant Fees	345.42
600-620 Shrinkage	0.00
600-640 Utilities	-20.85
600-650 Franchisee Expenses	11.02
800-140 Dues, Subscripts & Memberships	4,645.46
800-150 Training Expense	1,032.93
800-340 Business Travel	1,396.08
800-380 Equipment	374.69
800-400 Office Supplies and Expenses	364.80
800-420 Professional Fees	21,147.33
800-429 Other Non-Operating Expenses	178.08
800-460 Product Developement/Comps	789.88
Total Expenses	**$102,602.88**
NET OPERATING INCOME	**$2,021.14**
NET INCOME	**$2,021.14**

EXHIBIT G

FRANCHISE AGREEMENT,
INCLUDING OWNER'S GUARANTY

EXHIBIT H

STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

ILLINOIS AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Franchise Agreement will be amended as follows:

1. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

2. Illinois law governs the Franchise Agreement.

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

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

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

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

Dated: _____

Franchisor:	Franchisee:
_____	_____
By: _____	By: _____

Its: _____ Its: _____

MARYLAND AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Act") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Franchisee hereby agree that the Franchise Agreement dated _____, 20___, will be amended as follows:

1. The following language is added to Section 3.2 of the Franchise Agreement:

   ", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. The following language is added to Section 13.4 of the Franchise Agreement:

   ", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

3. The following language is added to the end of Section 19.3 of the Franchise Agreement:

   "Franchisee may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

4. The following language is added to the end of Section 19.4 of the Franchise Agreement:

   "all claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

5. The following language is added to Section 19.3.C of the Franchise Agreement:

   "Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Franchisee:
_____	_____
By: _____	By: _____
Its: _____	Its: _____

MINNESOTA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 12.5 of the Franchise Agreement is amended to add the following language:.

> "The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee's use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim."

2. Section 14.1 of the Franchise Agreement is amended to add the following language:

> "At the election of Franchisor, Franchisor may terminate the Agreement effective upon the expiration of 90 days after giving of written notice in the event Franchisee defaults, and does not cure to Franchisor's reasonable satisfaction within the 60-day notice period, in the performance of any other covenant or provision of this Agreement, including without limitation, the obligation to pay when due any financial obligation to Franchisor, the obligation to make reports and provide information when due hereunder, or failure to maintain any of the standards or procedures prescribed for the Franchised Business in this Agreement, the Manual or otherwise; provided, however, that Franchisee shall be entitled to notice and opportunity to cure any such default only once in any six month period, and any subsequent occurrence of the same or substantially similar default within such six month period shall entitle Franchisor, at its option, to terminate this Agreement effective immediately upon the giving of notice and without opportunity to cure."

3. Franchisor will protect the Franchisee's right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. Sections 3.2 and 14.1 of the Franchise Agreement is amended to add the following:

"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 a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement."

5. Section 19.3 of the Franchise Agreement is amended to add the following:

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

6. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 19.3.B of the Franchise Agreement is amended to add the following:

"Nothing contained herein shall limit Franchisee's right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J."

7. Minn. Rule 2860.4400J. prohibits requiring a franchisee to consent to liquidated damages.

8. Section 19.4 of the Franchise Agreement is amended to add the following:

"Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5."

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Franchise Agreement as of the day and year set forth above.

Franchisor:

_____

DATED: _____ By: _____

Its: _____

Franchisee:

_____

DATED: _____ By: _____

Its: _____

NEW YORK AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20_____, hereby agree that the Franchise Agreement will be amended as follows:

1. Franchisor and Franchisee are parties to that certain _____ Franchise Agreement dated _____, 20___ that has been signed concurrently with the signing of this Amendment. This Amendment is annexed to and forms part of the Franchise Agreement. This Amendment is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the license occurred in New York.

2. The following is added as a new subsection to Section 14.1 of the Franchise Agreement:

"Franchisee may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 20.2 of the Franchise Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:	Franchisee:
_____	_____
By: _____	By: _____
Its: _____	Its: _____

NORTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19.3.B of the Franchise Agreement is deleted.

2. A new Section 15.5 is added to the Franchise Agreement and will read as follows:

> "Remedies Upon Termination. If the Franchise is terminated, and in addition to the obligations of the Franchisee as otherwise provided herein, Franchisor shall retain the full amount of any fees heretofore paid to Franchisor and Franchisee shall continue to remain liable to Franchisor for any and all damages which Franchisor has sustained or may sustain by reason of such default or defaults and the breach of the Franchise Agreement on the part of the Franchisee for the unexpired Term of the Franchise Agreement."

3. Section 19.3.C of the Franchise Agreement is deleted.

4. Section 19.3.A of the Franchise Agreement is deleted, with respect to choice of venue.

5. Section 19.6 of the Franchise Agreement is amended as follows:

> "In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."

6. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, the other agreements or Illinois law if such provisions are in conflict with North Dakota law.

7. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

Dated: _____

Franchisor:

_____

By: _____

Its: _____

Franchisee:

_____

By: _____

Its: _____

RHODE ISLAND AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____, _____.

Franchisor:	Franchisee:
_____	_____
By: _____	By: _____
Its: _____	Its: _____

VIRGINIA AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Franchise Agreement will be amended as follows:

1. Section 14.1 of the Franchise Agreement is amended by adding the following language:

"§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

Dated: _____

Franchisor:

_____

By: _____

Its: _____

Franchisee:

_____

By: _____

Its: _____

WASHINGTON AMENDMENT
TO FRANCHISE AGREEMENT

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the License Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20____ hereby agree that the Franchise Agreement will be amended as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with 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 Franchisor including the areas of termination and renewal of your license.

2. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

3. 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

5. The undersigned hereby acknowledges receipt of this amendment.

Dated: _____, 20_____.

Franchisor:	Franchisee:
_____	_____
By: _____	By: _____
Its: _____	Its: _____

EXHIBIT I

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT
for
GA FRANCHISING, LLC

Location #: _____

(ADA 2026)

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AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT, dated _____, 20_____, is made and entered into in Olney, Illinois by and between GA FRANCHISING, LLC, an Illinois limited liability company ("**we**", "**us**" or "**our**"), located at 1926 Miller Drive, Olney, Illinois 62450, and _____, a ___ _____ ("**you**" or "**your**"), located at _____ _____, who in consideration of the mutual promises set forth below agree as follows:

1. Nature and Scope of Agreement

1.1 ***The Franchisor***. We have developed and own a distinctive System designed to offer and operate beverage and snack food drive-thru businesses under the service mark GINGER ALE'S® and associated marks, trade names, logos, designs, emblems, and other indications of origin (the "**Proprietary Marks**"). We offer franchises to operate Ginger Ale's® franchised businesses using the Proprietary Marks and the System.

1.2 ***The System***. The **"System"** is used by fast casual snack food drive-thru businesses to operate under the Proprietary Marks (an **"Franchised Business"**). The System presently includes the method of operating a Ginger Ale's® fast casual beverage and snack food drive-thru restaurant business, including, but not limited to its distinctive beverage and food products prepared using certain type of equipment, supplies, and ingredients, according to special and confidential recipes and formulas, with unique storage, preparation, service, and delivery procedures and techniques; design, décor, color scheme, and furnishings; the Proprietary Marks designated to be part of the System; standards, specifications, programs and procedures for operations; programs and procedures for quality control; training and assistance; and advertising, direct sales, and promotional programs developed by Franchisor for the operation of a Ginger Ale's® Location under the Proprietary Marks utilizing the Trade Secrets. Franchisor may add, change, modify, withdraw, or otherwise revise any element of the System in its sole discretion. Franchisor may add, change, modify, withdraw, or otherwise revise any element of the System in its sole discretion from time to time and you agree to comply with the mandatory System standards as they may exist from time to time (including all mandatory operational policies, procedures, programs and plans set forth in the Operations Manual or otherwise in writing), all of which shall constitute provisions of this Agreement as if fully set forth herein. The System will be applied to all Franchised Businesses, although we in our business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions.

1.3 ***The Area Developer***. You have independently investigated the business risks involved and such other matters as you deem important, including current and potential market conditions and competitive factors and risks, have read our Franchise Disclosure Document, and have not relied on any representations not set forth in this Agreement. Aware of the relevant facts, you desire to enter into this Agreement to obtain rights to develop Franchised Businesses under the System and the Proprietary Marks in accordance with the attached development schedule.

2. Definitions, Representations and Owner's Guaranty

2.1 ***Definitions.*** The capitalized terms used in this Agreement shall have the following meanings:

2.1.1 **"Anti-Terrorism Laws"** is defined in Section 14.1.

2.1.2 **"Approved Location"** is defined in Section 6.1.

2.1.3 "**Area Developer**" means the person or business entity referred to in the opening paragraph of this Agreement as "you" or "your".

2.1.4 **"Area Development Schedule"** is defined in Section 3.1.

2.1.5 **"Claims"** is defined in Section 12.4.

2.1.6 **"Competitive Business"** is defined in Section 9.1.

2.1.7 **"Confidential Information"** is defined in Section 8.1.

2.1.8 **"Confidentiality Agreement"** means the confidentiality agreement that we will prescribe from time to time to be signed by each of your Owners, officers, directors, members or partners, and your managers and employees who receive Confidential Information as required by Section 8.1.

2.1.9 **"Develop"** is defined in Section 3.1.1.

2.1.10 **"Development Area"** is defined in **Exhibit 2**.

2.1.11 **"Development Schedule"** is that schedule of Franchised Businesses to be opened set forth in **Exhibit 1**.

2.1.12 **"Franchise Agreement"** is defined in Section 3.1.2.

2.1.13 **"Franchised Business"** is defined in Section 3.1.

2.1.14 **"Franchisor"** means GA FRANCHISING, LLC.

2.1.15 **"Indemnified Parties"** is defined in Section 12.4.

2.1.16 **"Initial Fee"** is defined in Section 5.1.

2.1.17 **"Notice"** is defined in Section 14.7.

2.1.18 **"Owner(s)"** is defined in Section 7.3.

2.1.19 **"Owner's Guaranty"** means the Owner's Guaranty attached to this Agreement as **Exhibit 4**.

2.1.20 **"Proprietary Marks"** is defined in Section 1.1.

2.1.21 **"System"** means the specified business format and system and related standards, specifications and procedures prescribed by us for operating a Franchised Business, including but not limited to the Operations Manual and is more fully described in Section 1.2.

2.1.22 **"Term"** is defined in Section 4.1.

2.1.23 **"Transfer"** is defined in Section 10.2.

2.2 ***Representations and Warranties.*** You hereby represent and warrant to us as follows:

2.2.1 You are acquiring these area development rights for your own account to develop and operate Franchised Businesses, and not for the purpose of resale or redistribution or other speculative matter;

2.2.2 All information provided to us in your application and other documents to induce us to grant these area development rights was true, correct, complete and accurate as of the date made, and, as of the date of this Agreement, no material change has occurred in such information;

2.2.3 Your execution, delivery and performance of this Agreement does not violate or constitute a breach under any agreement or commitment you have;

2.2.4 If you are an entity, you are duly organized and validly existing, are qualified to do business in each state where you are or will conduct business, and are duly authorized to execute and deliver this Agreement and perform your obligations pursuant to this Agreement; and

2.2.5 This Agreement represents a valid, binding obligation of you and each of your Owners. Each Owner has fully read this Agreement and our Franchise Disclosure Document, and each Owner represents that he/she is capable of complying with all of the terms of this Agreement and the Owner's Guaranty.

2.3 ***Owner's Guaranty/Owner's Acknowledgment.*** If you are an entity, each of your Owners must execute an Owner's Guaranty in our favor and deliver the executed Owner's Guaranty to us concurrently with execution of this Agreement, or if such ownership interest is acquired later, within ten (10) days after obtaining the interest as an Owner. All Owners must also sign the Owner's Acknowledgment which follows the signature block of this Agreement.

3. Scope of License

3.1 ***Grant of Area Development Rights.*** Subject to the terms of this Agreement, we hereby grant to you the exclusive right, and you hereby accept the obligation, to develop the number of Franchised Businesses which will use the System and the Proprietary Marks (each a "**Franchised Business**"), described in the Development Area in **Exhibit 2,** and within the time periods described in the area development schedule set forth in **Exhibit 1** attached hereto (the **"Area Development Schedule"**). In this regard, the parties further agree that:

3.1.1 Each Franchised Business developed under this Agreement will be established and operated pursuant to a separate Franchise Agreement as provided in Section 6.1 below.

3.1.2 Each Franchised Business developed under this Agreement must be located within the Development Area that is specified in **Exhibit 2** attached hereto.

3.1.3 If, during the term of this Agreement, any one of the Franchised Businesses permanently closes for any reason after having been opened, and as a result of such closure you fall below the development quota applicable at the time of closure pursuant to the Area Development Schedule, you will have six (6) months from the closing date in which to open a substitute Franchised Business within the Development Area in its place. Such substitute Franchised Business shall not decrease the number of Franchised Businesses to be opened pursuant to the Development Schedule.

3.1.4 If, during the term of this Agreement, you wish to relocate any one of the Franchised Businesses, the new site for the Franchised Business must be approved by us, pursuant to Section 6.1 of this Agreement. A relocated Franchised Business will not decrease the number of Franchised Businesses to be opened pursuant to the Development Schedule.

3.1.5 This Agreement does not give you any right to license or franchise others to operate any Franchised Businesses. Except as provided in Section 7.2, only you may open and operate Franchised Businesses pursuant to this Agreement and only under Franchise Agreements with us.

3.2 ***Development Area.*** During the term of this Agreement, for as long as you are in full compliance with your obligations under this Agreement and all of the Franchise Agreements between you (including any of your affiliates) and us, neither we nor any of our affiliates will operate Franchised Businesses, or grant a franchise to any third party to operate another Franchised Business, in the Development Area, except as otherwise provided under Section 3.3. Once a Franchised Business has been established in the Development Area, your exclusivity rights with respect to that particular Franchised Business will be defined in the applicable Franchise Agreement.

3.3 ***Reserved Rights***. We reserve all rights not specifically granted to you in this Agreement. Among other things, this Agreement does not limit our right or the right of any of our affiliates: (i) to use or license the System or to engage in or license any business activity, including, without limitation, the operation or franchising of Franchised Businesses under the Proprietary Marks at any location outside the Development Area, and/or under any other trade name, trademark or service mark now or hereafter owned by or licensed to us or our affiliates at any location inside or outside the Development Area, or the development, merchandising, offering, selling, licensing, distributing, or marketing of products identified by the Proprietary Marks inside or outside of the Development Area through other channels and methods of distribution including wholesale, retail stores, grocery stores, meal preparation and delivery services, online, directly to national accounts customers, print catalogues, direct marketing media and any other outlets, including through promotion and sale of products bearing the Proprietary Marks at special events, athletic contests, through temporary locations and mobile units. Furthermore, we reserve the right to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not with Ginger Ale's® restaurants) located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions. You acknowledge that our rights to use and/or license the System pre-date this Agreement and are not limited or changed by the terms of this Agreement. You agree that by acknowledging those rights, the parties do not intend to make our exercise of such rights subject to rules applicable to contractual performance or the exercise of contractual discretion under this Agreement.

4. Term

4.1 ***Term***. Unless terminated earlier pursuant to Section 11, the term of this Agreement shall expire on the date of our acceptance and execution of a Franchise Agreement for the last of the Franchised Businesses to be established pursuant to the Development Schedule, or on the last date for the opening of such Franchised Business described in the Development Schedule, whichever first occurs.

4.2 ***No Renewal Rights***. There is no renewal right.

5. Initial Fee

5.1 ***Payment of Initial Franchise Fee.*** There is no separate fee payable in consideration of the development rights we have granted to you, provided you will pay to us on or before the date of this

Agreement the full initial franchise fee for the first Franchised Business to be developed and fifty percent (50%) of the initial franchise fee for each additional Franchised Business required to be established pursuant to the Development Schedule (the **"Initial Fee"**). For example, if the Development Schedule requires you to establish ten (10) Franchised Businesses during the term of this Agreement, you must pay to us, on or before the date of this Agreement, an Initial Fee in the amount of One Hundred Thirty Seven Thousand Five Hundred Dollars ($137,500) (The full initial franchise fee for the first location being $25,000, and 50% of the initial franchise fee for the remaining 9 locations being $12,500x9).

5.2 ***Initial Fee is Non-Refundable.*** The Initial Fee will be fully earned when received by us and will be non-refundable in consideration of administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you herein.

5.3 ***Off-Set of Initial Fee against Initial Franchise Fees.*** The Initial Fee is off-set against the initial franchise fees for each Franchise Agreement entered into for the establishment of Franchised Businesses pursuant to the Development Schedule as follows: Twenty Five Thousand Dollars ($25,000) is off-set against the initial franchise fee for the first Franchised Business to be established pursuant to the Development Schedule. Twelve Thousand Five Hundred Dollars ($12,500 is off-set against the initial franchise fee for each subsequent Franchised Business to be established pursuant to the Development Schedule until the Initial Fee has been off-set in full.

6. Your Area Development Obligations

6.1 ***Franchise Agreements.*** You must execute a separate franchise agreement (**"Franchise Agreement"**) for each Franchised Business. Each Franchised Business must be located at a site approved by us, within the Development Area, as provided below (the **"Approved Location"**). The Franchise Agreement for each Franchised Business developed hereunder shall be the form of Franchise Agreement being offered generally by us at the time each such Franchise Agreement is executed, except that the "Royalty Fee" percentage and "Fees and Royalties" will not exceed the "Royalty Fee" percentage and "Fees and Royalties" in effect in our Franchise Agreement being offered on the date this Agreement is executed. The current form of our Franchise Agreement is attached hereto as **Exhibit 5**. If you pay the Initial Fee, you will not pay the Initial Franchise Fee required under the Franchise Agreement for the first Franchised Business to be developed pursuant to the Development Schedule and you will pay fifty percent (50%) of the Initial Franchise Fee under each subsequent Franchise Agreement for Franchised Businesses developed pursuant to the Development Schedule, until the Initial Fee has been off-set in full.

6.2 ***Area Development Obligations***. You have the following area development obligations:

6.2.1 Recognizing that time is of the essence, you agree to develop by the end of each Development Year the number of Franchised Business set forth in **Exhibit 1** (the **"Area Development Schedule"**) and to maintain the number of open Franchised Businesses required by the end of each Development Year.

6.2.2 Any failure by you to develop and open the Franchised Businesses in the numbers and within the times specified in the Development Schedule and Section 3.1.1 will constitute a material default under this Agreement allowing us to terminate or reduce your rights under this Agreement under Section 11.3, as determined by us in our sole business judgment.

6.2.3 In order for you to develop a Franchised Business in the Development Area, you must submit to us for our written approval a site proposal for the proposed site and such other information or materials as we may reasonably require, including, but not limited to, a copy of a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for

obtaining the site. We will have twenty (20) days after receipt of the site proposal and all other such information and materials required by us to approve or disapprove in writing the site proposal, which approval shall not be unreasonably withheld. Any disapproval will set forth our reasons for disapproving a site proposal.

6.2.4 Provided you are in full compliance with the terms and conditions contained in this Agreement, and with all of your obligations under each existing Franchise Agreement, franchises will be granted to you upon your obtaining our written approval of a site for the proposed Franchised Business. The granting of any such franchise is expressly conditioned on you and us entering into a Franchise Agreement for the approved site.

6.2.5 You acknowledge that our approval of a site proposal submitted by you does not in any way guarantee that the site will become a profitable Franchised Business. You expressly acknowledge that our approval of a site proposal submitted by you will not be deemed to be or construed as a warranty or guarantee, express or implied, as to the potential volume, profits or success of the Franchised Business to be located on the site.

7. Other Responsibilities of the Parties

7.1 ***Our Other Obligations***. Our only initial obligation to you is to help you define your Development Area and assign it to you. Any other obligations we have to you are included in the individual Franchise Agreements that you will sign for each Franchised Business.

7.2 ***Other Investors in Individual Franchised Businesses.*** You may have other investors involved in the ownership of an individual Franchised Business as long as you advise us of those investors as provided in Section 7.3 and maintain majority ownership and voting control throughout the term of the Franchise Agreement. Each such investor must execute the Owner's Guaranty attached to the Franchise Agreement as an exhibit and the Owners Acknowledgment. You may create a special purpose entity for each Franchised Business and its related Franchise Agreement provided that (i) you retain fifty-one percent (51%) or more of the equity in the Franchisee entity, (ii) the direct and indirect owners of the Franchisee entity are approved by us pursuant this Section 7.2, and (iii) the owners of the Franchisee entity each execute the Owner's Guaranty and Owner's Acknowledgement.

7.3 ***Your Owners.*** **Exhibit 3** to this Agreement will at all times completely and accurately describe all of your owners and their beneficial ownership interests **("Owner(s)")**. You and your Owners must sign and deliver to us such revised **Exhibit 3** as may be necessary to reflect any permitted changes in the information contained therein within five (5) business days following the occurrence thereof and to furnish such other information about your organization or formation as we may request.

8. Confidentiality

8.1 ***Confidential Information***. You acknowledge that certain information relating to the development and operation of the Franchised Business including, without limitation, the standards, methods, procedures and specifications of the System, including the contents of the Operations Manual, is derived from information disclosed to you by us and that all such information is of a proprietary and confidential nature and our trade secret **("Confidential Information")**.

8.2 ***Use of Confidential Information***. You will not acquire any interest in the Confidential Information other than the right to use the Confidential Information in connection with the development of the Franchised Business during the Term of this Agreement, and acknowledge that use or duplication

of the Confidential Information in any other business or capacity will constitute an unfair method of competition with us, our affiliates and our other area developers and franchises.

You acknowledge that we are disclosing the Confidential Information to you solely on the condition that you agree, and you hereby agree, that any Confidential Information received from us (a) shall only be used by you for purposes of performing its obligations under this Agreement, (b) will not be used by you in any other business, manner or capacity, (c) will have its absolute confidentiality maintained by you both during and after the Term of this Agreement and any renewal term, (d) will not be copied by you without our written authorization, and (e) will not be disclosed by you to any third party without our prior written consent. You must use reasonable care to prevent the disclosure of the Confidential Information to any third party, and further shall limit the dissemination of the Confidential Information within your own organization to those individuals whose duties justify the need to know the Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Confidential Information and to restrict its use solely to the purposes specified herein. You must cause each person receiving the Confidential Information to sign a copy of a confidentiality agreement if requested by us.

You acknowledge that no other right or license to use the Confidential Information is granted by this Agreement and agrees that the amount of the Confidential Information to be disclosed to you is completely within our discretion.

9. Non-Competition

9.1 ***Non-Competition During the Term***. You (if you are an individual) or your Owners (if you are an entity) cannot, directly or indirectly, as an owner, officer, director, employee, consultant, or otherwise, own, be involved with, or be associated with a Competitive Business during the Term of this Agreement without our prior written approval. A **"Competitive Business"** means cafes, coffee shops, ice cream shops, restaurants, and any other business, for which 25% or more of revenue is derived from the sale, whether retail or wholesale, of beverage flavorings, shakes, smoothies, fountain drinks, lemonade, coffee/tea and coffee/tea drinks, or that is otherwise similar to a Franchised Business. You (if you are an individual) and your Owners (if an entity) may own and/or operate other commercial businesses, except for cafes, coffee shops, ice cream shops, restaurants, and other businesses deriving revenue from the sale of beverage flavorings, shakes, smoothies, fountain drinks, lemonade, coffee/tea and coffee/tea drinks in the Development Area or an adjacent development area, unless previously approved by us in writing.

9.2 ***Post-Term Non-Competition***. For a period of two (2) years after termination, transfer, or expiration of this Agreement or the maximum time permitted under applicable law, you (if an individual) and your Owners (if an entity) agree that your (or they) will not, directly or indirectly, as an owner, officer, director, employee, consultant, or otherwise, own, be involved with, or be associated with a Competitive Business within the Development Area or anywhere else within the continental United States.

9.3 ***Severability of Restrictive Covenants***. You acknowledge that the invalidity or unenforceability of any portion of Section 9.1 or Section 9.2 shall not affect the validity or enforceability of any other portion of Section 9.1 or Section 9.2 or any other section of this Agreement and any invalid or unenforceable portion of Section 9.1 or Section 9.2 shall be deemed to be severable.

9.4 ***Amendment of Restrictive Covenants***. You acknowledge that the provisions of this Article 9 have been inserted for our sole benefit and that we have the right, in our sole discretion, to waive in whole or in part or otherwise reduce the scope of any covenant set forth in this Article 9 or any portion of this Agreement without your consent effective upon our giving Notice to you.

10. Transfer

10.1 ***Transfer by Us***. We have the right, directly or indirectly, to transfer or assign all or any part of this Agreement, or all or any of its rights or obligations herein to any person or legal entity, including to any individual, firm, partnership, association, bank, lending institution, corporation, limited liability company or other entity, as we may in our sole discretion deem appropriate. In the event of any such transfer, we shall be released from any liability under this Agreement for the obligations transferred and any assignee of ours will become solely responsible for all our obligations under this Agreement from the date of assignment.

10.2 ***Transfer by You***. You acknowledge that the granting of the rights hereunder is based upon our investigation of your qualifications and that such rights are personal to you. Except as hereinafter provided, you and your Owner(s) may not directly or indirectly sell, divide, encumber, assign, hypothecate, mortgage, sub-license, transfer through bequest, inheritance, transfer in trust, divorce or operation of law or by any other means, or otherwise dispose of: the rights granted hereunder; any part of this Agreement; any rights or privileges incidental to this Agreement; or any interest in you (such as shares or membership interest) (herein collectively referred to as a **"Transfer"**), to any individual, firm, limited liability company, corporation, partnership, association, trust, bank, lending institution, or other third party without our prior written consent. We will not unreasonably withhold our consent to such Transfer having regard to factors which may include, without limitation, the viability of the investment by the transferee based on, for example, the price for the Area Development business payable by the transferee, except that a Transfer may not be made to one of our competitors or to a person operating a Competitive Business under a license or franchise from one of our competitors. Any actual, attempted or purported Transfer occurring without our prior written consent shall constitute a default of this Agreement and shall be null and void. In no event will we be willing to provide its consent to any Transfer, unless:

10.2.1 The proposed transferee is acceptable to us based upon standards for new area developers used by us at such time;

10.2.2 You are not in default in the performance or observance of any of your obligations under this Agreement (including, without limitation, timely development of Franchised Businesses pursuant to the Development Schedule and making all payments in full when due), and any other agreement between you and us or between you or one of our affiliates, relating to the development or operation of Franchised Businesses or any other agreement between you and us or one of our affiliates;

10.2.3 You have settled and paid, or made satisfactory arrangements to pay, all outstanding accounts with and amounts owed to us and all your trade creditors;

10.2.4 You have delivered to us a general release, in form satisfactory to us, of all claims you may have against us and our members, officers, directors, owners, managers, employees, affiliates, successors and assigns;

10.2.5 Except in the case of a Transfer pursuant to Section 10.3 or a Transfer to us pursuant to Section 10.4, you have paid our transfer fee of $5,000, or our total cost and expenses we incur in connection with the transfer, if they exceed the transfer fee; and

10.2.6 The proposed transferee assumes all of your rights and obligations under this Agreement.

It is understood and agreed that upon satisfaction of all the foregoing conditions and upon payment of all amounts which are owed by you, you will be released from any further liability under this Agreement with respect to matters or periods subsequent to the date of Transfer.

10.3 ***Transfer to a Corporation, Limited Liability Company or Other Entity***. If you are an individual, you may, coincident with or at any time after execution of this Agreement, after obtaining our written consent and provided all of your obligations to us have been satisfied, transfer and assign all of your rights and obligations hereunder to a corporation, limited liability company or other entity, provided you are and throughout the Term of this Agreement remain a principal executive officer of the corporation, limited liability company or other entity and the beneficial and registered owner of greater than fifty per cent (50%) of the issued and outstanding voting and equity rights and interests in such corporation, limited liability company or other entity (and any rights or options convertible into such voting or equity rights or interests), and further provided that you:

10.3.1 Cause the corporation and its directors and shareholders or, if a limited liability company or other entity, its owners or members, to acknowledge this Agreement and to agree in writing to be bound by the provisions of this Agreement; execute and cause the corporation and its directors and shareholders or, if a limited liability company or other entity, its owners or members, to execute any agreement as may be specified by us relating to the assumption by the corporation, limited liability company or other entity, of any rights and obligations under this Agreement; cause the corporation in its articles of incorporation or, if a limited liability company or other entity in its operating agreement, to provide in effect that its object or business is confined exclusively to the development and operation of Franchised Businesses as provided in this Agreement; cause the corporation, limited liability company or other entity, to restrict the issue of, and its directors and shareholders to restrict the transfer of, shares of the corporation or ownership or membership interests in a limited liability company or other entity, so that you continuously own greater than fifty per cent (50%) of the issued and outstanding voting and equity rights and interests in the corporation, limited liability company or other entity (and any rights or options convertible into such voting or equity rights or interests) and to have such restrictions noted on all share certificates of the corporation or the owner's or members' ownership certificates; and cause the corporation, limited liability company or other entity to inform us and to keep us informed as to the names and addresses of the then current directors and shareholders or members of, and those persons who have a financial interest in, the corporation, limited liability company or other entity from time to time;

10.3.2 Execute such documents in respect of the transfer and assignment as we may direct, including the attached Owner's Guaranty; and

10.3.3 Pay to us all of our reasonable costs (including, without limitation, legal costs and fees) for the administration of the Transfer and the preparation, execution and filing of all documentation required by us in connection with the Transfer.

10.4 ***Right of First Refusal***. If you or one or more of your Owners proposes to make a Transfer to any individual or entity (other than a corporation, partnership or other entity wholly owned by you or your Owners) that has provided a bona fide written offer, we will have the right for a period of thirty (30) days after you or such Owners have submitted all information requested by us, including a copy of the bona fide written offer, to exercise a right of first refusal and substitute ourselves for the proposed transferee in the transaction. If we decline to do so and there is any change in the terms and conditions of the proposed transaction or the proposed transferee, you must promptly notify us, and we will have the further right to exercise our right of first refusal over the revised transaction for a period of thirty (30) days. If we exercise our right of first refusal, we will have not less than sixty (60) days to close

the transaction, and we will have the right to substitute cash for any alternative form of consideration contemplated by the proposed transaction. You and your Owners agree to make all customary representations and warranties that we may require in connection with the proposed transaction. If we do not exercise our right of first refusal, or we revoke our right of first refusal**,** you or your transferring Owners may make a transfer on the terms and conditions of the offer considered by us if you and your Owners have complied with all of the provisions of Section 8.

10.5 ***Death or Incapacity***. If you die or become incapacitated, or if you are a corporation, limited liability company, partnership or other entity, a principal Owner dies or becomes incapacitated, so that you or, in the case of your Incapacity, a qualified manager appointed or employed by you, is not able to devote full time and attention to the operation of the Area Development business, then your heirs or personal representatives must transfer the rights granted hereunder to a third party acceptable to us within a reasonable time, not to exceed nine (9) months from the date of death or Incapacity. In no event will we be willing to provide our consent to such transfer unless all of the conditions set out in Section 10.2 of this Agreement are satisfied. In the event that any of the conditions set forth in Section 10.2 of this Agreement are not satisfied, we will have the right in our sole discretion to terminate this Agreement by Notice, in the case of death, sent to your estate and, in the case of your Incapacity or your Principal Owner's Incapacity, to you. For purposes of this Section 10.4, **"Incapacity"** means in our reasonable opinion, your inability or the inability of your principal Owner to operate the area development business in the ordinary course for a period of thirty (30) days or more in any consecutive ninety (90) day period.

11. Termination and Expiration

11.1 ***Termination by You***. If you have fully complied with this Agreement and we materially fail to comply with this Agreement and do not correct such failure within one hundred twenty (120) days after receipt of Notice thereof, you may terminate this Agreement effective one hundred twenty (120) days after giving Notice of such termination to us. Your termination of this Agreement for any other reason or without such notice will be deemed a termination without cause.

11.2 ***Termination by Us Without Opportunity to Cure***. You will be deemed to be in default under this Agreement, and we may, at our option, terminate this Agreement and all rights granted herein effective immediately, without giving you Notice of, or the opportunity to cure, the default, if you either:

11.2.1 Make or are deemed to have made a general assignment for the benefit of creditors, or if a petition is filed against you under the Bankruptcy Code and not dismissed within sixty (60) days of filing, or if a petition is filed by you under the Bankruptcy Code, or if you are declared or adjudicated bankrupt, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator, or any other officer with similar powers is appointed for you, or if you commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consent to the institution of such appointment or proceedings, or if you admit in writing your inability to pay debts generally as they become due;

11.2.2 At any time have any of the assets of your business seized or taken in execution or in attachment by one of your creditors, or a writ of execution issues against such assets, or if you without our prior written consent give any security interest in any of such assets or sell any of such assets except in the normal course of business, such that the foregoing materially impairs the operation of the business or any security interest which we may have in respect of this Agreement;

11.2.3 Willfully or fraudulently misrepresented any fact or condition made in any application or report provided to us or required to be made by this Agreement;

11.2.4 Die or become incapacitated (or if you are an entity, your principal Owner dies or becomes incapacitated) and a Transfer is not consummated as described in Section 10.5; or

11.2.5 By your actions, or your failure to take an action that it is required to take, you adversely affect the goodwill associated with the Proprietary Marks or Franchised Business.

11.3 ***Termination for Failure to Meet Area Development Schedule***. If you fail to meet your development obligations under the Area Development Schedule, such action shall constitute a default under this Agreement, upon which we, in our discretion, may by written notice to you therein (i) terminate this Agreement and all rights granted hereunder without affording you any opportunity to cure the default; (ii) reduce the number of Franchised Businesses to be developed; (iii) reduce the size of the Development Area; or (iv) terminate the Development Area exclusivity and make such rights non-exclusive. If we elect to terminate this Agreement, we can resell your Development Area, but you can maintain any Franchised Business established pursuant to a Franchise Agreement already executed by us as long as you continue to comply with the terms of that Franchise Agreement.

11.4 ***Termination by Us After Opportunity to Cure***. Except as otherwise provided in Sections 11.2 and 11.3, above, if you fail to comply with any material term and condition of this Agreement, or fail to comply with the terms and conditions of any Franchise Agreement or other area development agreement between you (or a person or entity affiliated with or controlled by you) and us, such action shall constitute a default under this Agreement. Upon the occurrence of any such default, we may terminate this Agreement by giving you written notice of termination stating the nature of such default at least thirty (30) days prior to the effective date of termination; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us within the thirty (30) day period (or such longer period as applicable law may require). If any such default is not cured within the specified time (or such longer period as applicable law may require), this Agreement and all rights granted hereunder (including but not limited to, the right to develop any new Franchised Businesses) will terminate without further notice to you, effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require).

11.5 ***Modification of Rights Not Waiver of Termination Rights***. In lieu of termination, we have the right to modify your rights under this Agreement as provided in Section 11.3; and if we exercise that right, we will not have waived our right, in the case of future defaults, to exercise all other rights, and invoke all other provisions, that are provided in law and/or set out under this Agreement.

11.6 ***Your Obligations on Termination or Expiration***. Upon termination or expiration of this Agreement, you will have no right to establish or operate any Franchised Business for which a Franchise Agreement has not been executed by us at the time of termination or expiration, except that with respect to expiration at the end of the last development year, if you have signed a lease by the expiration date, you may continue to open a Franchised Business within four (4) months of the lease signing, if the lease is signed before the expiration of that development year. Thereafter, we will be entitled to establish, and to franchise others to establish, Franchised Businesses in the Development Area (except as may be otherwise provided under any Franchise Agreement that has been executed between you and us).

11.7 ***Effect of Default on Franchise Agreements***. No default under this Agreement shall constitute a default under any Franchise Agreement between the parties hereto.

11.8 ***Remedy Is Not Exclusive***. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

12. Relationship and Indemnification

12.1 ***Independent Parties***. You are and will at all times remain an independent contractor, and you may not and will not represent yourself to be our agent, joint venturer, partner or employee, or to be related to us other than as our independent developer. You may not make any representations or take any acts which could establish any apparent relationship of agency, joint venture, partnership or employment with us, and we will not be bound in any manner whatsoever by any agreements, warranties, representations or undertakings made by you to any other person nor with respect to any other action of you. You may not establish any bank account, make any purchase, apply for any loan or credit, or incur or permit any obligation to be incurred in our name or on our credit. No acts of assistance given by us to you shall be construed so as to alter this relationship. You will be solely responsible for paying all the operating costs of your development business, including all taxes.

12.2 ***Your Liability***. If two (2) or more individuals execute this Agreement as the Area Developer, the liability of each such individual hereunder shall be joint and several.

12.3 ***Non-Liability***. We will not be obligated or liable for any injury or death of any person or damage to any property caused by your action, failure to act, negligence or willful conduct, nor for any other liability you incur.

12.4 ***Your Indemnity Obligations***. You agree to indemnify, hold harmless and, upon request, defend us, our affiliates, and their respective members, owners, directors, officers, managers, employees and agents (the **"Indemnified Parties"),** from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever **("Claims")**, directly or indirectly arising out of, or in any manner whatsoever associated or connected with:

12.4.1 Your failure to pay when due any levies, taxes or assessments that you may be required by applicable law to pay;

12.4.2 Your operation of your area development business; or

12.4.3 Your actions, failure to act, negligence or willful conduct;

and against any and all damages, costs, expenses and fees (including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

13. Dispute Resolution [Make sure consistent with FA]

13.1 ***Resolution of Disputes***. Any dispute between you and us arising out of the relationship created by this Agreement shall be subject to the dispute resolution provisions set forth below.

13.2 **Mediation.** In the event of any unsettled claims, disputes, or controversies between you and us, and other matters arising between us and you relating to this Agreement, the dealings or relationship between you and us, or your development or operation of the Area Development Business (**"Dispute"**), either party has the option of initiating a mediation procedure by submitting a written request for mediation to the American Arbitration Association in accordance with the Commercial Mediation Rules.

13.2.1 The mediation process shall begin promptly, but in no event later than thirty (30) days after cessation of negotiations between the parties, and shall be concluded within thirty (30) days of the day the request for mediation is made, unless the parties mutually agree otherwise.

13.2.2 Mediation shall be private, voluntary, and nonbinding. Any party may withdraw from the mediation at any time before signing a settlement agreement upon written notice to each other party and to the mediator. The mediator shall be neutral and impartial. The mediator's fees shall be shared equally by the parties. The mediator shall be disqualified as a witness, consultant, expert, or counsel for either party with respect to the matters in Dispute and any related matters.

13.2.3 Unless the parties agree otherwise, the entire mediation process shall be confidential and without prejudice. The parties and the mediator shall not disclose any information, documents, statements, positions, or terms of settlement. Nothing said or done or provided by the parties in the course of mediation shall be reported or recorded or, except as ordered by a court of competent jurisdiction, placed in any legal proceeding or construed for any purpose as an admission against interest. Nevertheless, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in mediation.

13.2.4 All mediation proceedings shall take place in the city where we maintain our principal place of business at the time of the mediation.

13.2.5 The commencement of any mediation shall not act to prevent either party from instituting or proceeding with any action which may be the subject of the Dispute.

13.3 **Temporary Restraining Orders and Injunctive Relief.** Notwithstanding anything to the contrary contained in this Article, you and we each have the right in a proper case to obtain temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. You acknowledge that a proper case to obtain temporary restraining orders and temporary or permanent injunctive relief from a court of competent jurisdiction shall include, but not be limited to, the following:

13.3.1 Any Dispute involving actual or threatened disclosure or misuse of the contents of any of our confidential information or trade secrets; and

13.3.2 Any action by us to enforce the covenants set forth in Articles 8 and 9 of this Agreement; and

13.4 **Litigation.** The parties acknowledge that we operate, or intend to operate, a nationwide franchise system, with franchisees located in numerous different states and in numerous counties and cities within such states. Accordingly, the parties hereby agree that in view of the fact that our books, records, and business personnel are located, for the most part, in our principal place of business, and in order to minimize disruption or interference with operation of the franchise system as a whole, the parties agree as follows:

13.4.1 Any and all court proceedings arising from or relating in any manner to any dispute between you and us arising out of, relating to or referencing this Agreement or its breach in any way, shall be brought in, and only in, a state court of general jurisdiction sitting in the county and state, or in the United States District Court for the District for the location where our principal place of business is located at the time any such action is instituted, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court. No individual shall be joined as a party to such proceedings if

such joinder has the effect of destroying federal court jurisdiction unless that individual or entity is a necessary party to the proceeding as a matter of law.

13.4.2 THE PARTIES AGREE THAT ALL DISPUTES ADMITTED TO THE COURT PURSUANT TO THIS PROVISION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS.

13.4.3 EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES PURSUANT TO SECTION 12.4 AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, YOU AND WE AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND/OR TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

13.5 **Statute of Limitations.** You and we agree that no form of action or proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless the proceeding is brought before the expiration of the earlier of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation; or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation. Notwithstanding the foregoing, where state or federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply in all cases, in lieu of the time specified in (i) or (ii) above.

13.6 **Franchisor's Business Judgment.** The parties hereto recognize, and any mediator or judge is affirmatively advised, that certain provisions of this Agreement describe our right to take (or refrain from taking) certain actions in the exercise of its discretion based on its assessment of the overall best interest of the network and/or franchise program. Where such discretion has been exercised, and is supported by our business judgment, neither a mediator nor a judge shall substitute his or her judgment for the judgment we exercised.

13.7 **Legal Fees.** If we incur legal fees or costs or other expenses to enforce any of your obligations hereunder, or to defend against any claim, demand, action or proceeding by reason of your failure to perform or observe any obligation imposed upon you by this Agreement, then we shall be entitled to recover from you the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action, or proceeding to enforce any of your obligations hereunder or thereafter or otherwise.

13.9 ***No Class Actions.*** **Any disagreement between you and us (and our affiliates and owners) will be considered unique as to its facts and must not be brought as a class action, and you waive any right to proceed against us (and our affiliates, stockholders, officers, directors, employees, agents, successors and assigns) by way of class action, or by way of a multi-plaintiff consolidated or collective action.**

14. General

14.1 ***Compliance with Laws.*** You and your Owners understand the requirements of, and will abide by, all United States government economic sanctions requirements. You represent and warrant that neither you nor any of your direct or indirect Owners, employees or agents is a person subject to trade restrictions under United States law, including (without limitation) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., or any Executive Orders or regulations promulgated thereunder (including Executive Order 13224 of September 24, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, and the Specially Designated Nationals and Blocked Persons List) (**"Anti-Terrorism Laws"**). You and your Owners shall not engage in any activity that would expose us to a risk of criminal or civil penalties under applicable United States law. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

14.2 ***Severability of Provisions***. Every part of this Agreement is severable and the invalidity or unenforceability of any part of this Agreement shall not affect the validity or enforceability of any other part of this Agreement. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, length of time and/or business scope, but would be enforceable by reducing any part or all thereof, you and we agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought.

14.3 ***Counterparts***. This Agreement may be executed in counterparts, and each counterpart when so executed and delivered shall be deemed an original.

14.4 ***Force Majeure***. Neither party will be liable to the other for non-performance or delay in performance occasioned by any causes beyond its control (other than lack of funds) including, without limitation, acts or omissions of the other party, acts of civil or military authority, strikes, lock-outs, embargoes, insurrections or acts of God. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt Notice of any such delay; provided, however, that if the delay exceeds one hundred twenty (120) days, we will have the right to terminate this Agreement.

14.5 ***Successors and Assigns***. This Agreement shall inure to the benefit of and be binding upon us, you, your Owners and their respective heirs, legal representatives, successors and permitted assigns.

14.6 ***Survival***. All obligations which expressly or by their nature survive termination or expiration or Transfer of this Agreement shall continue in full force and effect subsequent to and notwithstanding such termination or expiration or transfer and until they are satisfied or by their nature expire.

14.7 ***Notices***. All notices, consents and approvals (a **"Notice"**) permitted or required to be given under this Agreement shall be in writing and shall be deemed to be sufficiently and duly given if set forth in writing and delivered by overnight courier service (with a confirming copy mailed), if to us addressed as follows:

GA FRANCHISING, LLC
1926 Miller Drive
Olney, IL 62450
ATTN: President

and if to you addressed as follows:

_____
_____
_____
_____
Attention: _____

Any Notice so given or made shall be deemed to have been given or made and received one (1) business day after sending by overnight courier service. Any party from time to time by Notice in writing given pursuant to the terms of this Agreement may change its address for the purpose of this Agreement.

14.8 ***Right of Set-off***. Notwithstanding any other provision of this Agreement, upon your failure to pay us as and when due any sums of money under this Agreement or any other amounts owing to us, we may, at our election, deduct any and all such sums remaining unpaid from any monies or credit held by us for your account.

14.9 ***Not Withhold Payment***. You agree that you will not on the grounds of the alleged non-performance by us of any of our obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to us whether on account of equipment or goods purchased by you or otherwise.

14.10 ***Non-Waiver***. The failure of either party to exercise any right, power or option given under this Agreement, or to insist upon strict compliance with the terms and conditions of this Agreement by the other party, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach of this Agreement or default under this Agreement, nor a waiver by the first party of its right at any time thereafter to require strict compliance with all terms and conditions of this Agreement. Our acceptance of payments due under this Agreement shall not constitute a waiver of any preceding breaches by you.

14.11 ***Applicable Law***. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.), this Agreement and the relationship between you and us will be interpreted and construed in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law provisions, provided that nothing in this Section is intended by the parties to subject this Agreement to any franchise, business opportunity, or similar law, rule or regulation of such state unless the jurisdictional requirements of such law are met, independent of this provision or this Agreement. Notwithstanding the foregoing, if the covenants in Section 9 of this Agreement would not be enforceable under the laws of Illinois, and the Area Development Business is located outside of that

state, then such covenants shall be interpreted and construed under the laws of the state in which the Area Development Business is located. If applicable law provides you with additional rights as to notices, opportunities to cure or otherwise than as are provided by this Agreement as to termination, renewal, transfers or otherwise, we will comply with the requirements of such laws to the extent they exceed our obligations under this Agreement.

14.12 ***Our Rights Are Cumulative***. Our rights under this Agreement are cumulative and no exercise or enforcement by us of any right or remedy under this Agreement shall preclude the exercise or enforcement by us of any other right or remedy under this Agreement or which we are otherwise entitled by law to enforce. Except as expressly stated otherwise herein, at our option, a default by you under this Agreement shall constitute a default by you under any other agreement between the parties, and the default by you under any other agreement between the parties shall constitute a default by you under this Agreement.

14.13 ***No Third-Party Beneficiaries.*** Except as otherwise expressly provided herein, this Agreement is exclusively for the benefit of the parties hereto and shall not confer a benefit on, or give rise to liability to, a third party. No agreement between us and a third party is for your benefit.

14.14 ***Approvals or Consents***. Requests by you for approvals or consents shall be in writing and shall be timely made. Approvals and consents by us shall not be effective unless in writing and duly executed by us. Except as expressly provided to the contrary herein, we may grant or withhold such approvals or consents, and may make any determinations permitted hereunder, in its sole discretion and shall not be required to show "reasonableness" or to comply with any other standard in connection herewith.

14.15 ***Effect of Standards.*** Our specifications of the System shall not constitute a warranty or representation, express or implied, as to quality, safety, suitability, fitness for a particular purpose or any matter. We will not be liable to you or others on account of the specifications of the System, including the operation of the Franchised Business pursuant to the System.

14.16 ***Construction.*** You acknowledge that you had the opportunity to be represented by an attorney in connection with the preparation and execution of this Agreement, and to review and understand the terms hereof and to consider the advisability of entering into this Agreement. This Agreement will be construed according to its plain meaning and neither for nor against either party hereof regardless of which party's counsel drafted the provision.

14.17 ***Further Assurances.*** The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

14.18 ***Entire Agreement.*** You and we each acknowledge and warrant to each other that you and we each wish to have all terms of this business relationship defined in this Agreement. Neither you nor we wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and you and we each agree that they have

placed, and will place, no reliance on any such discussion; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document furnished to you. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise or development rights or offer of franchise or development rights have been promised to you and no such franchise or development rights or offer of franchise or development rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise or development rights and specifically identified as a modification of this Agreement.

14.19 ***Amendments.*** No change, modification, amendment or waiver of any of the provisions hereof, including by custom, usage of trade, or course of dealing or performance, shall be effective and binding upon either party unless it is in writing, specifically identified as an amendment hereto and signed by a duly authorized representative of both parties.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement as of the date first written above.

Area Developer:	Franchisor:
_____	**GA FRANCHISING, LLC**
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

Owners' Acknowledgment

Each following party is mentioned in this Agreement as having certain rights and/or duties as an Owner of Area Developer. Each following party is signing this Acknowledgment, not as a party, but only to the extent necessary to indicate its, his or her acceptance of, and agreement to be bound by, the specific rights and duties of an Owner mentioned in this Agreement.

Owner:

_____

By: _____

Name: _____

Its: _____

Owner:

_____

Print name: _____

Owner:

_____

By: _____

Name: _____

Its: _____

Owner:

_____

Print name: _____

Exhibit 1

DEVELOPMENT SCHEDULE

[Example – adopt as desired]

Development Year	**Period**	**Number of Newly Opened Locations**	**Total Number of Operating Locations At End of Period***
1		1	0 to 1
2		1	1 to 2
3		1	2 to 3
4		1	3 to 4
5		1	4 to 5
6		1	5 to 6
7		1	6 to 7
8		1	7 to 8
9		1	8 to 9
10		1	9 to 10

Note:

Expiration Date:

This Agreement shall expire on the date of our acceptance and execution of a Franchise Agreement for the last of the Franchise Businesses to be established pursuant to the above Development Schedule, or on _____, which first occurs.

Area Developer:	Franchisor:
_____	**GA FRANCHISING, LLC**
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

Exhibit 2

BUSINESS TERMS

Area Developer's business name, address, phone number and e-mail address:	
Initial Fee:	
Development Area:	[Describe in easily identifiable terms, such as "Cook County, Illinois, as such county exists as of the Effective Date" or attach a clear map]

Exhibit 3

OWNERS OF AREA DEVELOPER

Name of Owner	Nature of Interest	Beneficial Interest in Area Developer
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
Totals		**100%**

Exhibit 4

OWNER'S GUARANTY

In consideration of, and as an inducement to, the grant of a franchise and the execution of the Area Development Agreement dated _____, 20_____ (the "**Area Development Agreement**") by and between GA FRANCHISING, LLC, an Illinois limited liability company ("**Franchisor**"), and _____("**Area Developer**"), the undersigned hereby personally and unconditionally: (1) guaranties to Franchisor and its successors and assigns, for the term of the Area Development Agreement and thereafter, as provided in the Area Development Agreement, that Area Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Area Development Agreement and any documents, agreements, instruments and promissory notes executed pursuant to or in connection with the Area Development Agreement (collectively, the "**Area Development Documents**"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Area Development Documents applicable to owners of Area Developer.

The undersigned waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings;

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guarantied;

(iii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guarantied;

(iv) any right the undersigned may have to require that an action be brought against Area Developer or any other person as a condition of liability; and

(v) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

(1) the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Area Developer's obligations;

(2) the undersigned shall render any payment or performance required under the Agreement upon demand if Area Developer fails or refuses punctually to do so;

(3) this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Area Developer as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

(4) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Area Developer or any other person; and

(5) such liability shall not be diminished, relieved or otherwise affected by any extension of time, creditor or other indulgence which Franchisor may from time to time grant to Area 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, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Area Development Documents, as the same may be amended or renewed, until Area Developer's duties and obligations to Franchisor are fully discharged and satisfied; and

(6) shall pay Franchisor's court costs and reasonable attorney's fees in enforcing or collecting on this Guaranty.

All capitalized terms when used herein shall have the meaning ascribed to them in the Area Development Agreement.

This Owner's Guaranty shall be governed, construed and interpreted in accordance with the substantive laws of the State of [INSERT STATE], without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the _____ day of _____, 20___.

WITNESS(ES):	GUARANTOR(S):
_____	_____
Print or Type Name	Print or Type Name
_____	_____
Signature	Signature
_____	_____
Print or Type Name	Print or Type Name
_____	_____
Signature	Signature

EXHIBIT 5

FRANCHISE AGREEMENT

[The form of Franchise Agreement included in Exhibit _____ of the Franchise Disclosures Document will be attached here.]

EXHIBIT 6

STATE AMENDMENT TO
AREA DEVELOPMENT AGREEMENT

[Use for the following states: Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia, Washington]

[delete if not applicable]

EXHIBIT J

STATE SPECIFIC AMENDMENTS TO AREA DEVELOPMENT AGREEMENT

ILLINOIS AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Illinois that are subject to the Illinois Franchise Disclosure Act (the "Act") and is for the purpose of complying with Illinois statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20___, hereby agree that the Area Development Agreement will be amended as follows:

1. A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

2. Illinois law governs the Area Development Agreement.

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

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

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

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

Dated: _____

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

MARYLAND AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Maryland that are subject to the Maryland Franchise Registration and Disclosure Law (the "Act") and is for the purpose of complying with Maryland statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

Franchisor and Area Developer hereby agree that the Area Development Agreement dated _____, 20___, will be amended as follows:

1. The following language is added to Section 10.2.4 of the Area Development Agreement dealing with "Transfer by You":

", except that the general release provisions shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. The following language is added to the end of Section 13.4 of the Area Development Agreement dealing with "Venue":

"You may bring a lawsuit in Maryland for claims arising out of the Maryland Franchise Registration and Disclosure Law."

3. The following language is added to the end of Section 13.5 of the Area Development Agreement dealing with "Limitations Periods":

"All claims arising under the Maryland Franchise Registration and Disclosure Law shall be commenced within three (3) years after the grant of the franchise."

4. Sections 1.3, dealing with "The Area Developer", and 14.18, dealing with "Entire Agreement", of the Area Development Agreement and the Franchisee Disclosure Questionnaire are amended to state:

"Representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

IN WITNESS WHEREOF, Franchisor and Area Developer have duly executed and delivered this Amendment as of the date set forth above.

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____

By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

MINNESOTA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Minnesota that are subject to the Minnesota Franchise Act (Minn. Stat. Sec. 80C.1 et seq., the "Act") and is for the purpose of complying with Minnesota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Franchise Agreement dated _____, 20___, hereby agree that the Franchise Agreement will be amended as follows:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)

   (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and

   (ii) that consent to the transfer of the franchise will not be unreasonably withheld.

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

4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD. 5.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Area Development Agreement as of the day and year set forth above.

Franchisor:

GA FRANCHISING, LLC

Area Developer:

_____

By: _____ By: _____

Name: _____ Name: _____

Its: _____ Its: _____

NEW YORK AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of New York that are subject to the New York Franchise Act (New York State General Business Law, Article 33, Sec. 680 et seq., the "Act") and is for the purpose of complying with New York statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20_____, hereby agree that the Area Development Agreement will be amended as follows:

1. Franchisor and Area Developer are parties to that certain Area Development Agreement that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because: (a) you are a resident of the State of New York and your Franchise will operate in New York; and/or (b) the offer or sale of the area development rights occurred in New York.

2. The following is added as a new Section 11.1 of the Area Development Agreement:

"You may terminate this Agreement upon any grounds available at law."

3. The following is added to Section 14.11 of the Area Development Agreement:

"This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law and the regulations issued thereunder."

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the day and year first above written.

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

NORTH DAKOTA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of North Dakota that are subject to the North Dakota Franchise Investment Law (the "Act") and is for the purpose of complying with North Dakota statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20_____, hereby agree that the Area Development Agreement will be amended as follows:

1. Section 11.6 of the Area Development Agreement is amended as follows:

   "Remedies Upon Termination. If the Agreement is terminated, and in addition to your obligations as otherwise provided herein, we will retain the full amount of any fees heretofore paid to us and you will continue to remain liable to us for any and all damages which we have sustained or may sustain by reason of such default or defaults and the breach of the Agreement on you part for the unexpired Term of the Agreement."

2. Section 13.3 of the Area Development Agreement is deleted.

3. Section 13.6 of the Area Development Agreement is deleted.

4. Section 13.7 of the Area Development Agreement is deleted.

5. Section 13.8 of the Area Development Agreement is amended as follows:

"In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."

6. The laws of the State of North Dakota supersede any provisions of the Area Development Agreement, the other agreements or Illinois law if such provisions are in conflict with North Dakota law.

Dated: _____

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

RHODE ISLAND AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Rhode Island that are subject to the Rhode Island Franchise Investment Act (the "Act") and is for the purpose of complying with Rhode Island statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Franchise Agreement will be amended as follows:

1. Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: _____, _____.

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

VIRGINIA AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Virginia that are subject to the Virginia Retail Franchising Act (the "Act") and is for the purpose of complying with Virginia statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

1. Sections 11.2, 11.3 and 11.4 of the Area Development Agreement are amended by adding the following language:

"§13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause."

Dated: _____, _____.

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

WASHINGTON AMENDMENT
TO AREA DEVELOPMENT AGREEMENT

This Amendment pertains to franchises sold in the State of Washington that are subject to the Washington Franchise Investment Protection Act (the "Act") and is for the purpose of complying with Washington statutes and regulations. Signing this Amendment where the jurisdictional requirements of the Act are not met does not subject the parties to the provisions of the Act. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended to include the following:

The parties to the Area Development Agreement dated _____, 20____ hereby agree that the Area Development Agreement will be amended as follows:

1. In the event of a conflict of law, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

2. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Development Agreement in your relationship with Franchisor including the areas of termination and renewal of your franchise.

3. A release or waiver of rights executed by an Area Developer shall 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

5. 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.

6. 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.

7. 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.

8. The undersigned hereby acknowledges receipt of this amendment.

Dated: _____, _____.

Franchisor:	Area Developer:
GA FRANCHISING, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

EXHIBIT K
CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT ("Agreement"), dated _____, 20_____, is made by and between GA FRANCHISING, LLC, an Illinois limited liability company, with its principal office at 1926 Miller Drive, Olney, Illinois 62450 ("Franchisor"), and _____, located at _____ ("Recipient").

Recitals

On _____, 20____, Franchisor and _____ (**"Franchisee"**) entered into a Franchise Agreement to operate a Ginger Ale's restaurant (the **"Franchised Business"**) at _____ (**"Franchise Agreement"**). Recipient is either an owner of Franchisee (each, an **"Owner"**), or one of Franchisee's owners, shareholders, partners, members, officers, directors, managers, employees, or agents.

Under the Franchise Agreement, Franchisor has agreed to provide Confidential Information, as that term is defined below, to Franchisee solely on the condition that Franchisee and the Owners of Franchise agree that Franchisee (if an individual), its Owners (if Franchisee is an entity), officers, directors, members, partners, managers, employees and agents who have access to such Confidential Information sign a Confidentiality Agreement. Recipient agrees that the Confidential Information is being disclosed to him or her under the terms and conditions of this Agreement.

The Franchise Agreement also requires each of Franchisee's shareholders, partners, members, officers, directors, managers, employees and agents to sign a covenant not to compete.

Terms and Conditions

NOW, THEREFORE, in consideration of the covenants and the promises herein contained, the parties agree as follows:

1. Recipient acknowledges and agrees that all Confidential Information he or she receives from Franchisor is confidential and proprietary information and trade secrets in which Franchisor has a proprietary interest. "Confidential Information" means confidential information, including, without limitation, (i) recipes, ingredients, proprietary products, formulas, customer and supplier lists, product specifications, (ii) methods of service and operations at System Locations, (iii) knowledge of sales and profit performance at any one or more System Locations, (iv) knowledge of test programs, concepts, or results relating to operating, new advertising and promotional programs, (v) sources of suppliers of products, ingredients, and equipment, (vi) advertising, promotion, and marketing techniques, (vii) methods and information regarding the selection and training of managers and other employees for System Locations; and (viii) the Manual. Recipient will not acquire any interest in the Confidential Information learned by Recipient other than the right for Recipient to utilize the same in connection with ownership and/or operation of the its Franchised Business during term of the Franchise Agreement, including any renewal term or the term of any subsequent Franchise Agreement entered into between Franchisor and Franchisee, and the use or duplication of the Confidential Information in any other business or capacity will constitute an unfair method of competition with Franchisor, its affiliates, and Franchisor's other franchisees.

2. Franchisor is disclosing the Confidential Information to Recipient solely on the condition that Recipient agree, and Recipient hereby agrees, that any Confidential Information received from Franchisor (a) shall only be used by Recipient for purposes of performing the Franchise Agreement,

(b) will not be used by Recipient in any other business, manner or capacity, (c) will have its absolute confidentiality maintained by Recipient both during and after the term of the Franchise Agreement, including any renewal term, (d) will not be copied by Recipient without written authorization, and (e) will not be disclosed by Recipient to any third party without the prior written consent of Franchisor. Recipient agrees to use reasonable care to prevent the disclosure of the Confidential Information to any third party, and further agrees to limit the dissemination of the Confidential Information within its own organization to individuals whose duties justify the need to know such Confidential Information, and then only provided that there is a clear understanding by such individuals of their obligation to maintain the confidential status of the Confidential Information and to restrict its use solely to the purposes specified herein. Each other person receiving the Confidential Information must also sign a copy of this Agreement.

3. Recipient acknowledges that no other right or license to use the Confidential Information is granted by this Agreement, and agrees that the amount of the Confidential Information to be disclosed to Recipient is completely within the discretion of Franchisor.

4. Recipient hereby agrees that any addition, modification, adaptation, improvement, refinement, discovery, invention or innovation of the System or any Proprietary Mark (collectively, a **"Business Improvement"**) made by Franchisee or its employees or Owners shall be the sole and exclusive property of Franchisor, regardless of Franchisee's, its employee's or the Owners' participation or sole participation in its development, and shall be deemed assigned to Franchisor. Upon Franchisor's request, Recipient shall, and shall cause his/her employees and all owners to, execute any instruments and documents that Franchisor requests and shall assist Franchisor to perfect or protect all intellectual property rights in such Business Improvement. Recipient shall not be entitled to any compensation for the use or licensing of any Business Improvement.

5. Upon termination or expiration of the Franchise Agreement, or earlier if requested by Franchisor, Recipient will return all Confidential Information and the Manual (including any copies thereof that Franchisor may have permitted Recipient to make) to Franchisor.

6. Recipient shall be under no obligation under this Agreement with respect to any information (a) which is, at the time of the disclosure, available to the general public; (b) which becomes at a later date available to the general public through no fault of the Recipient and then only after said date; or (c) which Recipient can demonstrate was in its possession before receipt.

7. Recipient acknowledges and agrees that Franchisor will suffer irreparable injury not capable of precise measurement in monetary damages if Recipient discloses or misuses any Confidential Information. Accordingly, in the event of a breach of this Agreement by Recipient, Recipient consents to entry of interim relief, including, without limitation, the entry of a temporary restraining order, preliminary injunction, permanent injunction, writ of attachment, appointment of a receiver, and any other equitable relief which the court deems necessary in order to prevent irreparable injury, all without the requirement that bond be posted. Recipient agrees that the award of equitable remedies to Franchisor in the event of such breach is reasonable and necessary for the protection of the business and goodwill of Franchisor.

8. Recipient hereby agrees to indemnify, hold harmless and, upon request, defend Franchisor and its affiliates, and their respective members, owners, shareholders, directors, officers, managers, employees and agents (the **"Indemnified Parties"**), from and against all suits, proceedings, assessments, losses, claims, demands or actions of any nature or kind whatsoever (**"Claims"**), directly or indirectly arising out of, or in any manner whatsoever associated or connected with the failure of Recipient to observe and perform his or her duties and obligations under this Agreement, and against any

and all damages, costs, expenses and fees (including, without limitation, reasonable legal expenses and fees), losses, fines or penalties incurred by or on behalf of any of the Indemnified Parties in the investigation or defense of any and all Claims.

9. All terms not otherwise defined in this Agreement shall have the same meanings as the defined terms in the Franchise Agreement.

10. This Agreement shall be governed, construed and interpreted in accordance with the substantive laws of the State of Illinois, without giving effect to its conflicts of law principles.

11. This Agreement together with the Franchise Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the disclosure of Confidential Information to Recipient and Recipient's non-competition obligations, and shall not be amended except under a written agreement executed by each of the parties hereto. This Agreement shall be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.

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

Recipient:	Franchisor:
	GA FRANCHISING, LLC
_____	
Print Name: _____	By: _____
Position with Franchisee: _____	Name: _____
	Its: _____

EXHIBIT L
GENERAL RELEASE

[If only the Franchisee is signing the Release, the language in bold and brackets referring to the Owner(s) should be deleted. If both Franchisee and its Owner(s) are signing the Release, the above referenced language should be left in the release, but should be taken out of the brackets and the bold type should be replaced by normal type.]

GENERAL RELEASE

This GENERAL RELEASE ("Release") is made this _____ day of _____, ____, by **[Name of franchisee]** ("Franchisee"), **[and [Name of owner(s)], ("Owner(s)")]**, with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated _____, ____ ("Franchise Agreement") by and between GA FRANCHISING, LLC ("Franchisor") and Franchisee granting Franchisee the right to use the Franchisor's System and trademarks to operate the Franchised Business at a specific location.

[The undersigned Owner is an owner of the Franchisee.]

Franchisee **[and Owner each]** agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee **[and the Owner]** pursuant to the requirements of the Franchise Agreement. Franchisee **[and Owner each]** understands and agrees that execution of this Release is a condition of Franchisee's rights under the Franchise Agreement **[to renew the Franchise Agreement] [to transfer the Franchise Agreement]** and that Franchisee's **[or Owner's]** failure or refusal to execute this Release would result in Franchisee's breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee **[and Owner each]** executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE **[AND OWNER EACH]** AGREES AS FOLLOWS:

1. General Release. Franchisee **[and Owner each]** hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, managers, employees, affiliates, successors and assigns (collectively the "Released Parties"), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee **[or Owner]** ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as "Claims"). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, **[neither]** Franchisee **[nor Owner]** shall have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. This Release is intended by Franchisee [and Owner] to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee [or Owner] against the Released Parties regardless of whether any

unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee [and Owner each], for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee [or Owner, as the case may be] would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]

3. Waiver of Civil Code Section 1542. This Release is intended by Franchisee **[and Owner]** to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee **[and Owner]** against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee **[and Owner each]** hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee **[or Owner, as the case may be]** would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee **[and Owner each]** acknowledges that Section 1542 of the Civil Code of the State of California 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 effected his settlement with the debtor."

In making this voluntary express waiver, Franchisee **[and Owner each]** acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee **[and Owner, respectively]** to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee **[and Owner each]** acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. Franchisee **[and Owner each]** understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee **[and Owner each]** represents and warrants that Franchisee **[and Owner]** has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

IN WITNESS WHEREOF, Franchisee **[and Owner each]** has executed this Release on the date first shown above.

Franchisee:

_____

By: _____

Name: _____

Its: _____

[Owner:

_____

(Signature)

_____

(Print Name)]

EXHIBIT M

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW

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

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

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

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

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

The Franchise Agreement and Area Development Agreement requires application of the laws of Illinois. This provision may not be enforceable under California law.

"The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operation your franchised business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Corporations before we ask you to consider a material modification of your Franchise Agreement.

You must sign a general release of claims if you renew or transfer your Franchise Agreement or if you transfer your Area Development Agreement. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

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

Section 19.4 of the Franchise Agreement and Section 13.5 of the Area Development Agreement each limits the statute of limitations to 1 year from the date the complaining party knew or should have known of facts giving rise to the claim. This provision is void to the extent it is inconsistent with the provisions of Corporations Code 31303- 31304. 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 this law or any rule or order is void."

The Franchise Agreement and Area Development Agreement each provide for optional mediation. The mediation will occur in the county and state where we have our principal place of business with the costs of the mediation service being borne equally by both parties and with all other expenses relating to such mediation being borne by the party incurring them.

OUR WEBSITE IS WWW.MYGINGERALES.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE HAWAII FRANCHISE INVESTMENT LAW

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No release language set forth in the Franchise Agreement or Area Development Agreement shall relieve the franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

1. Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

2. Illinois law governs the Franchise Agreement.

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

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

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

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

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

1. Item 17.c ("Requirements for franchisee to renew or extend") and Item 17.m ("Conditions for franchisor approval of transfer") of the Franchise Disclosure Document are amended to provide that "The requirement that you provide a general release of all claims against us in order to renew or transfer your franchise, or transfer of your area development rights, shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

2. Item 17.g ("Cause defined – curable defaults") of the Franchise Disclosure Document is amended to provide that "Termination upon filing of a bankruptcy petition against you or any shareholder may not be enforceable under federal bankruptcy law."

3. Item 17.v ("Choice of forum") in the Franchise Disclosure Document is amended to provide that "Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

4. Nothing in the Franchise Disclosure Document or in the Franchise Agreement, is intended to nor shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Act.

5. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Item 17.t ("Integration/merger clause"), summary column, is amended by deleting the last sentence and substituting the following:

> "However, nothing in the Franchise Agreement or any related agreement is intended to disclaim, or require you to waive reliance on, any representations we made in the Franchise Disclosure Documents or its exhibits that we furnished to you."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document and/or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. MINN. STAT. SECTION 80C.21 and MINNESOTA RULES 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in MINN. STAT. CHAPTER 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with MINN. STAT. SECTION 80C.14 SUBD. 3-5, which require (except in certain specified cases)

   (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and

   (ii) that consent to the transfer of the franchise will not be unreasonably withheld.

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

4. MINNESOTA RULES 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See MINNESOTA RULES 2860.4400(J) also, a court will determine if a bond is required.

6. The Limitations of Claims section must comply with MINN. STAT. SECTION 80C.17 SUBD. 5.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NEW YORK FRANCHISE LAW

1. The cover page of the Franchise Disclosure Document is amended to add the following statement:

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

2. Item 3 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

"Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. 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. Moreover, there are no 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.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten 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, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunction 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 injunction 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. Item 4 of the Franchise Disclosure Document is amended by deleting the last paragraph and substituting the following:

"Neither we, our affiliate, our predecessor nor our officers during the 10 year period immediately before the date of the Franchise Disclosure Document: (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 one year after the officer or general partner of the franchisor held this position in the company or partnership."

4. Item 5 of the Franchise Disclosure Document is amended by adding the following to the subsection entitled "Initial Franchise Fee":

"The Company will use the Initial Fee to cover its costs associated with fulfilling its obligations under the Franchise Agreement and to cover other overhead costs and expenses."

5. Item 17 of the Franchise Disclosure Document is amended by adding the following statement to the summary column (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. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (d) entitled "Termination by You":

"You can terminate upon any grounds available by law."

7. Item 17 of the Franchise Disclosure Document is further amended by adding the following statement to the summary column (w) indicating the choice of law:

"The foregoing choice of law should not be considered a waiver of any right conferred upon either the Franchisor or upon the Franchisee by the General Business Law of the State of New York."

FRANCHISOR REPRESENTATION

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NORTH DAKOTA FRANCHISE LAW

Notwithstanding anything to the contrary in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. Summary column (r) in Item 17 of the Franchise Disclosure Document and Section 11.12.B of the Franchise Agreement and Section 9,2 of the Area Development Agreement prohibit you from owning or being involved with a company or other business within the Territory that offers services competitive with those offered, franchised or licensed by us for 2 years after termination or expiration of the Franchise Agreement. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. The Commissioner has held that covenants restricting competition are contrary to Section 9-08-06 of the North Dakota Century Code, and are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Any provision in the Franchise Agreement or Area Development Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from any Franchise Agreement issued in the State of North Dakota.

3. Waiver of liquidated damages and termination penalties is prohibited by law in the State of North Dakota. Accordingly, Section 15.2 of the Franchise Agreement is deleted.

4. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement, Area Development Agreement, or the other agreements or Illinois law if those provisions are in conflict with North Dakota law.

5. Waiver of trial by jury is prohibited by law in the State of North Dakota. Accordingly, Section 19.3.B of the Franchise Agreement is deleted.

6. Waiver of exemplary and punitive damages is prohibited by law in the State of North Dakota. Accordingly, Section 19.3.C of the Franchise Agreement and Section 13.7 of the Area Development Agreement are each deleted.

7. North Dakota has determined that requiring a franchisee to sign a general release upon renewal of the franchise agreement is unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, all references to the Franchisee signing a general release upon renewal of the Franchise Agreement in Item 17(c) of the Franchise Disclosure Document and Section 3.2 of the Franchise Agreement are deleted.

8. The statute of limitations under North Dakota law applies in lieu of any provisions to the contrary in the Franchise Agreement or Area Development Agreement.

9. North Dakota prohibits a provision that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the Franchise Agreement. Accordingly, Section 19.6 of the Franchise Agreement and Section 13.8 of the Area Development Agreement are each amended as follows:

> "In the event either party incurs legal fees or costs or other expenses to enforce any obligation of the other party hereunder, or to defend against any claim, demand, action or

proceeding by reason of the other party's failure to perform or observe any obligation imposed upon that party by this Agreement, then the prevailing party shall be entitled to recover from the other party the amount of all legal fees, costs and expenses, including reasonable attorneys' fees, whether incurred prior to, or in preparation for or contemplation of the filing of any claim, demand, action or proceeding to enforce any obligation of the other party hereunder or thereafter or otherwise."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

Section 19-28.1-14 of the Rhode Island Franchise Investment Act, as amended by the laws of 1991, provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE VIRGINIA RETAIL FRANCHISE ACT

The following paragraph is added at the end of Item 17:

Virginia has a statute which may supercede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: Virginia [Code 13.1-557 to 574]. Under §13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington.

1. If any of the provisions in the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent provisions of the Franchise Disclosure Document, Franchise Agreement, or Area Development Agreement with regard to any franchises sold in Washington.

2. 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.

3. The State of Washington's policy pursuant to its Administrative Regulations pertaining to releases is as follows:

> 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.

4. Item 17 is amended to add the following:

> "These states have statutes which limit the franchisor's ability to restrict your activity after the Franchise Agreement has ended: California Business and Professions Code Section 16,600, Florida Statutes Section 542.33, Michigan Compiled Laws Section 445.771 *et seq.,* Montana Codes Section 30-14-201, North Dakota Century Code Section 9-08-06, Oklahoma Statutes Section 15-217-19, Washington Code Section 19.86.030. Other states have court decisions limiting the franchisor's ability to restrict your activity after the Franchise Agreement has ended.
>
> A provision in the Franchise Agreement which terminates the franchise upon bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.
>
> The following states have statutes which restrict or prohibit the imposition of liquidated damage provisions: California [Civil Code Section

1671], Indiana [1C 23-2-2.7-1(10)], Minnesota [Rule 2860.4400J], South Dakota [Civil Law 53-9-5]. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions."

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

6. 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.

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

8. 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.

9. 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.

FRANCHISEE DISCLOSURE QUESTIONNAIRE

GA FRANCHISING, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Ginger Ale's franchised business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that GA FRANCHISING, LLC has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Do you understand that the success or failure of your business will depend in large part upon your ability as an independent business person?

Yes __ No __

2. Has any employee or other person speaking on behalf of GA Franchising, LLC made any representation or prediction concerning the revenue, profitability or operating costs of any Ginger Ale's Franchised Business?

Yes __ No __

3. If you answered "No" to question (1) or "Yes" to question (2), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "Yes" to question (1) and "No" to question (2), please leave the following lines blank.

_____

_____

_____

_____

_____

You understand that your answers 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.

_____
FRANCHISEE/APPLICANT

_____
Print Name

Date: _____, 20___

EXHIBIT N

FRANCHISEE QUESTIONNAIRE

GA Franchising, LLC ("GA Franchising" or "we") and you are preparing to enter into a Franchise Agreement for a Ginger Ale's location. The purpose of this Questionnaire is to confirm that you are making an informed investment decision and to determine if any improper statements or promises were made to you that we have not authorized. Please review each of the following questions carefully before answering.

1.	Did you receive a copy of the Franchise Disclosure Document at least 14 calendar days before you signed any agreement with GA Franchising or paid GA Franchising any money?	Yes ___	No ___
2.	Did any employee or representative of GA Franchising make any oral, written, or visual claim or representation about the revenues, profits or earnings of any Ginger Ale's location(s) that are inconsistent with the information in Item 19 of the FDD you received?	Yes ___	No ___
3.	Did any employee or representative of GA Franchising make any oral, written, or visual claim or representation about the advertising, marketing, training, support, or other assistance that GA Franchising will provide that is different from or inconsistent with the information in the FDD you received?	Yes ___	No ___

If you answered "Yes" to any of the above questions, please provide more information below. You can attach additional pages if necessary.

_____
_____
_____
_____
_____
_____
_____
_____

You understand that your answers 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.

_____
Franchisee/Applicant

Name: _____

Date: _____

EXHIBIT O

ADDENDUM TO AGREEMENT - MOBILE/TRAILER UNIT

This ADDENDUM TO FRANCHISE AGREEMENT ("Addendum") is entered into at Olney, Illinois on _____, 20___ ("Effective Date"), by and between GA Franchising, LLC and Illinois limited liability company (hereinafter referred to as "Franchisor"), and _____ (hereinafter referred to as "Franchisee"), whose principal business address is _____.

Recitals

WHEREAS, Franchisee entered into an agreement with Franchisor dated effective _____ ("Franchise Agreement"), which licensed to Franchisee the right to use the GIgner Ale's® name and system as a Mobile Trailer Unit Franchise ("Franchised Business"); and

WHEREAS, Franchisor and Franchisee have agreed to make revisions to, or otherwise amend and modify, the Franchise Agreement as set forth herein below; and

WHEREAS, all capitalized terms used, but not defined, herein shall have the respective meanings assigned to them pursuant to the Franchise Agreement, and all references herein to "Article" and "Paragraphs" shall refer to articles and paragraphs to the Franchise Agreement.

NOW THEREFORE, In consideration of the foregoing and the mutual covenants and promises in the Franchise Agreement and herein, it is hereby agreed as follows:

1. General Provisions. References to a real estate location, real property, or "Premises" in the Franchise Agreement will refer to Your actual Mobile/Trailer Unit ("MTU") and not the locations where the MTU will operate, and references to the lease or "Lease" in the Franchise Agreement will mean the lease of your MTU, if any, and the term "Landlord" will mean the leaseholder of the MTU, if applicable. References to supervising, managing, working, or being open full-time are not applicable to your MTU. Additionally, there may be other language in the Franchise Agreement referring to items that may only apply to physical locations such as furniture, flooring, and the physical address of the franchise business. Such items may be disregarded if they do not apply to Franchisee's MTU.
2. **Article 2.1 (Grant) to the Franchise Agreement is amended in its entirety to read as follows:**
   "2.1 Grant. Subject to the terms and conditions of this Agreement, and to the continuous compliance by Franchisee with the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee the nonexclusive right, and Franchisee undertakes the obligation, to operate a Ginger Ale's® Franchised Business only as a MTU in accordance with Franchisor's standards and specifications, including the operational standards procedures and techniques as prescribed in the Manual, and to use the

System (as it may be changed, improved, and further developed by Franchisor) and the Proprietary Marks in connection therewith."

3. **Article 2.2 (Approved Location) to the Franchise Agreement is amended in its entirety to read as follows:**
   "2.2 Approved Location. Franchisee shall operate the Franchised MTU within Franchisee's approved area of operation specified on **Exhibit A**. If Franchisee's operational area has not been approved at the time of this Agreement, **Exhibit A** shall be automatically amended to list the approved operational area upon the unconditional approval of the application by Franchisor. Franchisee agrees that Franchisor and Franchisor's owners and the subsidiaries and Affiliates, and owners of Franchisor, are not restricted from using the System or engaging in or licensing any business activity including System Locations, other restaurant at any other location, or MTUs, except as otherwise set forth in Article 2.
4. **Article 2.3 (Protected Area) to the Franchise Agreement is amended in its entirety to read as follows:**
   "2.3 No Protected or Exclusive Area. Franchisee acknowledges and agrees that this Agreement does not grant any exclusive or protected territory. However, Franchisee shall be granted a non-exclusive operating radius as defined in *Exhibit A* (the "Operating Area"). Franchisor retains the unrestricted right, during the term of this Agreement, to establish, license, and/or operate additional Franchise Units — including traditional, non-traditional, and MTUs — at any location, whether within or outside the Franchisee's Operating Area. Franchisee may conduct business at any location that is legally permissible under applicable local laws and ordinances, provided such operation does not conflict with any provision of this Agreement. Franchisee expressly agrees not to operate any MTUs within a one and one-half (1.5) mile radius of any existing permanent Ginger Ale's location or within another franchisee's designated protected territory, without first obtaining the Franchisor's prior written consent. Should the Franchisor enter into negotiations for a permanent location within Franchisee's Operating Area, the Franchisor shall provide Franchisee with notice and afford Franchisee a right of first refusal to pursue such location, subject to terms and conditions to be specified by the Franchisor at that time. For clarity, although the Franchisee is not granted a protected or exclusive territory, all operations of the Franchised Business must comply with the terms and restrictions set forth in this Agreement."
5. **Article 2.5 (Delivery and Catering) to the Franchise Agreement is deleted in its entirety.**
6. **Article 2.8 (Relocation) to the Franchise Agreement is deleted in its entirety.**
7. **Article 2.9 (Annual Minimum Revenue) to the Franchise Agreement is deleted in its entirety.**
8. **Article 3.1 (Initial Term) to the Franchise Agreement is amended in its entirety to read as follows:**
   "Unless sooner terminated or modified as hereinafter provided, the term of this Agreement shall be 5 years from the Effective Date and this Agreement will expire without notice on such date."

9. **Article 4.1 (A) (Initial Fee) to the Franchise Agreement and the corresponding fee in Exhibit "___" to the Franchise Agreement are amended to require an Initial Franchise Fee of $20,000.**
10. **Article 5 to the Franchise Agreement is amended in its entirety to read as follows:** "Article 5 Site Selection, Location Construction, Mobile/Trailer Unit Purchase and Opening"
11. **Articles 5.1 through 5.8 to the Franchise Agreement including subsections are deleted in its entirety.**
12. **Article 5.1 is added to the Franchise Agreement and reads as follows:**
    "5.1 <u>Mobile/Trailer Purchase and Design</u> Franchisee shall purchase an MTU package from franchisor or its required vendor in accordance with our specifications, and include; 16k Generator, 3 Compartment Sink, Hand Wash Sink, Complete Plumbing Package, Nugget Ice Machine on bin, Upright Commercial Refrigerator, Refrigerated Sandwich Prep Table, Crathco Beverage Dispenser, Bunn Tea Brewer, and Countertop Conveyor Toaster. Franchisor reserves the right to change the specifications as needed and shall be reflected in the operations manual. Franchisee shall not modify the exterior or interior of the trailer without first receiving Franchisor's prior written permission. If Franchisee desire to do so, Franchisee shall arrange all fixtures, signs, and decor in strict compliance with our standards and specification. The cost of this shall range from $65,000 to $70,000."
13. **Article 5.2 is added to the Franchise Agreement and reads as follows:**
    "**<u>5.2 Commencing Operations; Conditions to Opening.</u>** Franchisee shall notify Franchisor in writing at least 30 days before the intended opening of the Franchise Business to the public. Before opening, Franchisee must satisfy all of the following conditions:
    A) Franchisee is in compliance with this Agreement;
    B) Franchisee's Operating Principal and general manager (if any) for the Location shall each have completed to Franchisor's satisfaction a training program approved or conducted by Franchisor and Franchisee shall have employed qualified personnel sufficient to operate the Location;
    C) Franchisee has obtained all applicable government permits, licenses, certificates and authorizations;
    D) Franchisee shall have paid all sums due Franchisor and its affiliated companies.
    E) Franchisee is not in default under this Agreement, or any existing Franchise Agreement or other agreement with Franchisor or any of its Affiliated companies.
    F) Franchisor has inspected and approved the Franchise Business, which may be done virtually;
    G) Franchisee has hired sufficient employees; and
    H) Franchisor has given its written approval to open, which will not be unreasonably Withheld.

    Franchisee may not open the Location until the above requirements have been satisfied to Franchisor's satisfaction. The System will be applied to all System Locations, although Franchisor in its business judgment may make exceptions based on local conditions, special circumstances or different contractual provisions."

14. **Article 6.1 (A through C) to the Franchise Agreement are deleted in their entirety.**
15. **Article 7.4 (Opening Assistance) to the Franchise Agreement is deleted in its entirety.**
16. **Article 7.12 (Third-Party Delivery Services) to the Franchise Agreement is amended to read as follows:**
    "7.12 Third-Party Delivery Services. Franchisee may utilize third-party delivery services (e.g. Uber Eats, Grubhub, DoorDash) approved by Franchisor and may not contract with any third-party or other delivery service providers without Franchisor's prior written authorization."
17. **Article 9.2 (Grand Opening Advertising) to the Franchise Agreement is deleted in its entirety.**
18. **Article 9.3 (Local Advertising Requirement) to the Franchise Agreement is deleted in its entirety.**
19. **Article 13.5 (Right of First Refusal) to the Franchise Agreement is amended to include mobile/trailer unit(s).**
20. **Article 13.6 (Death or Incapacity) of the Franchise Agreement is amended to include MTU(s).**
21. **Article 14.3 (Purchase Option) of the Franchise Agreement is amended to include mobile/trailer unit(s).**

"Franchisor"	**"Franchisee"**
GA Franchising, LLC An Illinois Limited Liability Company	**[Franchisee],** A_____
_____	_____
BY: _____	BY: _____
ITS: _____	ITS: _____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

California	Not registered
Hawaii	Not registered
Illinois	April 30, 2026
Indiana	May 5, 2025
Maryland	Not registered
Michigan	Not registered
Minnesota	Not registered
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Not registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GA Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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 GA Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal 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 GA Franchising, LLC, located at 1926 Miller Drive, Olney, IL 62450. Its telephone number is 618-204-9004.

The franchise seller is _____, located at _____.
His/her telephone number is _____.

The issuance date is April 30, 2026. The state effective dates are on an exhibit following the State Cover Page.

GA Franchising, LLC authorizes the respective state agencies identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated _____ __, 2026 that included the following Exhibits:

A.	**List of State Administrators**	**H.**	**State Specific Amendments to Franchise Agreement**
B.	**Agents for Service of Process**	**I.**	**Area Development Agreement**
C.	**Table of Contents of Operations Manual**	**J.**	**State Specific Amendments to Area Development Agreement**
D.	**List of Franchisees**	**K.**	**Confidentiality Agreement**
E.	**Franchisees Who Left System or Have Not Communicated**	**L.**	**General Release**
F.	**Financial Statements**	**M.**	**State Addenda to FDD**
G.	**Franchise Agreement, including Owner's Guaranty**	**N.**	**Franchisee Questionnaire**

Date: _____

_____
Prospective Franchisee Signature
Print Name: _____
Address: _____

_____
Individually and as _____
of _____

RECEIPT

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G.	**Franchise Agreement, including Owner's Guaranty**	**N.**	**Franchisee Questionnaire**

Date: _____

_____
Prospective Franchisee Signature
Print Name: _____
Address: _____

_____
Individually and as _____
of _____

(Sign, Date and Return to Us)