grabbagreen
food + juice

Received
LA Mailroom
NOV 01 2017
Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT

Grabbagreen Franchising, LLC
an Arizona limited liability company
10789 North 90th Street, Suite 202
Scottsdale, Arizona 85260
(480) 747-0597
franchise@grabbagreen.com
www.grabbagreen.com

We offer a franchise to own and operate quick service restaurants offering healthy food, juice, smoothies and related products under the "grabbagreen" name and marks. The total investment necessary to begin operation of a new grabbagreen franchise ranges from $282,688 to $412,518. This includes $30,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, AZ 85260, (480) 747-0597.

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

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

ISSUANCE DATE: April 18, 2017, as amended October 25, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US IN A JURISDICTION IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SCOTTSDALE, ARIZONA). OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. YOUR SPOUSE MUST ALSO SIGN A GUARANTY WHICH PLACES YOUR SPOUSE'S MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

4. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $282,688 TO $412,518. THIS AMOUNT EXCEEDS OUR MEMBERS' NEGATIVE EQUITY OF $1,219,042 AS OF DECEMBER 31, 2016.

5. OUR FINANCIAL CONDITION, AS REFLECTED IN OUR FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION OUR FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

6. ~~4.~~ THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

GRABBAGREEN FRANCHISING, LLC

STATE EFFECTIVE DATES

The following states require that the 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	May 19, 2017, as amended
~~Illinois~~	~~April 19, 2017~~
~~Maryland~~	~~May 3, 2017~~
~~Michigan~~	~~August 1, 2017~~
~~Minnesota~~	~~May 15, 2017~~
~~New York~~	MinnesotaMay 15, 2017, as amended ~~, 2017~~
~~Washington~~	~~May 2, 2017~~
Virginia	Pending

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of April 18, 2017, as amended October 25, 2017.

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

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

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

(b)A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment 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 before 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 this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.

(d)A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area after 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 these assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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 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 ENFORCEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

<u>TABLE OF CONTENTS</u>

<u>ITEM</u> **<u>PAGE</u>**

<u>EXHIBITS</u>

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN <u>EXHIBIT H</u>.

Item 1.

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document (this "Disclosure Document"), "franchisor," "we," "us," or "our" means Grabbagreen Franchising, LLC, the franchisor. "You" or "your" means the person or entity who buys the franchise from us. If you are a corporation, partnership, limited liability company, or other business entity, your owners will have to guarantee your obligations and be bound by the provisions of the Franchise Agreement (defined below) and other agreements as described in this Disclosure Document.

The Franchisor

We were organized in Arizona on September 22, 2014 as a corporation, and converted to a limited liability company on March 3, 2016. Our principal business address is 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260. Our agent for service of process in our jurisdiction of organization is Kim Cramton at our principal business address. If we have an agent for service of process in your state, we disclose that agent on Exhibit A. We do business under our company name and under the "grabbagreen" name and no others.

We began offering franchises for Restaurants in April 2015. We previously also offered an area representative franchise opportunity, for the right to solicit prospective Restaurant franchisees and support existing Restaurants within a designated territory. We began offering area representative franchises in July 2015, and as of December 31, 2016, we have active 4 area representative franchisees. We do not currently offer area representative franchises, though we may do so again in the future. Other than as described above, we have never offered franchises for any other concepts, but we may do so in the future. We have never owned or operated any Restaurants, though certain of our affiliates do (see Item 20). Other than as described in this Disclosure Document, we do not conduct any other business activities.

Our Parents, Predecessors and Affiliates

We are wholly-owned by our parent, Eat Clean Holdings, LLC, which was organized as a limited liability company in Arizona on October 13, 2016 ("ECH"). ECH shares our principal business address. ~~EHC~~ECH owns and will provide trademark license rights in the Marks (as defined below) to us, enabling us to license trademark rights in those Marks to franchisees (See Item 13). ~~EHC~~ECH has never offered franchises for Restaurants or in any other line of business.

Except as described above, we do not have any parents, predecessors, or affiliates required to be disclosed in Item 1.

The Franchise

We offer and grant franchises to operate quick service restaurants offering healthy food, juice, smoothies and related products and services we authorize (each, a "Restaurant"). Restaurants operate under the name "grabbagreen" and other trademarks, service marks, logos, and commercial symbols we periodically authorize (the "Marks"). Restaurants have distinctive and proprietary business formats, methods, procedures, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify over time (together, the "System"). We call the Restaurant that you will operate "your Restaurant." You must comply with the standards, specifications, operating procedures, and rules that we periodically prescribe for operating a Restaurant ("System Standards").

You will sign a franchise agreement to acquire a franchise to operate a Restaurant (the "Franchise Agreement"). Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit B. Under the Franchise Agreement, you will receive the right to use the Marks and the System to operate your Restaurant at a site selected by you and approved by us (the "Premises").

Market Competition and Regulations.

Your competition includes all restaurant concepts, particularly restaurants offering healthy food, juice and/or smoothies. Your competition also includes food retail stores, particularly those stores selling pre-packaged juices, smoothies and other healthy food. You will be competing with such restaurants and retail stores both for customers and for locations. The market for food products and services is highly competitive and quickly developing.

You should consider that certain aspects of the food business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local departments of health and other agencies have laws and regulations concerning the preparation of food, display of nutrition facts and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. Compensation of restaurant employees (including minimum wage and overtime requirements) is governed by both federal and state laws. You will need to understand and comply with these laws in operating your Restaurant. There may be other laws applicable to your Restaurant. We urge you to make further inquiries about these laws.

Item 2.

BUSINESS EXPERIENCE

Keely Newman: President, Chief Executive Officer and Company Manager

Ms. Newman has served as our President and Chief Executive Officer since our inception in September 2014, and has served on our Board of Managers since March 2016. Ms. Newman has also served as the President and a Director of our affiliate Gulf Girl Squared, Inc. in Phoenix, Arizona since its inception in February 2013, as a Manager of ECH since January 2017, and as a Manager of our affiliate Krowne Enterprises, LLC in Phoenix, Arizona since its inception in June 2016. Between February 2010 February 2013, Ms. Newman was a full-time mother.

Jeff Farnell: Director of Operations

Mr. Farnell has been our Director of Operations since January 2016. From February 2006 through December 2015, Mr. Farnell served in various capacities with SouperSalad located in San Antonio, Texas, including serving as Vice President of Operations from January 2012 through December 2015; as Director of Operations from January 2010 through 2011; and as a District Manager from February 2006 to December 2009.

~~Kim Cramton: Senior Vice President~~Todd Cable: Director of Franchise Strategy and Development ~~and Company Manager~~

~~Ms. Cramton has served as our Vice President of Franchise Development since September 2014, and has served on our Board of Managers since March 2016. Ms. Cramton has also served as the Vice President of Operations and a Director of our affiliate Gulf Girl Squared, Inc. in Phoenix, Arizona since its inception in February 2013, as a Manager of ECH since January 2017, and as a Manager of our affiliate Krowne Enterprises, LLC in Phoenix, Arizona since its inception in June 2016. Prior to that, Ms. Cramton was the Director of Business Development for RCC Partners in Phoenix, Arizona from March 2014 to September 2014, the Chief Operating Officer of R.S. Energy Arizona in Phoenix, Arizona from August 2013 to March 2014, and the Vice President of Harmon Electric in Phoenix, Arizona from August 2009 to August 2013.~~
Mr. Cable has served as our Director of Franchise Strategy and Development since April 2017. From November 2016 through April 2017, Mr. Cable was not employed. From September 2009 through October 2016, Mr. Cable served in various capacities with Fun Brands located in Scottsdale, Arizona, including as Franchise Development Manager from December 2015 through October 2016 and as a Franchise Business Consultant from September 2009 through November 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

Initial Franchise Fee. The initial franchise fee for your first Restaurant will be $30,000, and for your second or subsequent Restaurant will be $20,000 (the "Initial Franchise Fee"). You must pay us the Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. If you (or your Operating Partner – as defined in Item 16) or your Designated Manager (as defined in Item 16) are unable to complete the Training Program (as defined in Item 11) to our satisfaction, we may terminate the Franchise Agreement, in which case (if you sign a general release in the form we designate), we will refund half of the Initial Franchise Fee to you; otherwise, the Initial Franchise Fee is not refundable in whole or in part under any circumstances. In our 2016 fiscal year, we reduced the Initial Franchise Fee for one franchisee from $20,000 to $18,000 for its second and subsequent franchises as part of a negotiated deal.

Item 6.

OTHER FEES

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS [2]
Royalty	6% of your Restaurant's Gross Sales. [3]	Weekly	Each week you must pay us a Royalty in the manner we prescribe based on your Gross Sales for the preceding week. Currently, we collect the Royalty through electronic funds transfers. [2]
Marketing Fund Contributions	1% of your Restaurant's Gross Sales [3,4]	Weekly	See Item 11 for a detailed discussion about the Marketing Fund.
Local Advertising Cooperative	Percentage of your Restaurant's Gross Sales as determined at time Local Advertising Cooperative is established [3 4]	Weekly	See Item 11 for a detailed discussion about the Local Advertising Cooperative.
Local Advertising Expenditure	Determined at the time the Local Advertising Expenditure is established. [3,4]	Monthly	As discussed in more detail in Item 11, we do not currently require you to spend a minimum amount each month on local advertising, but we may require you to spend such amounts in the future ("Local Advertising Expenditure"). If we require a Local Advertising Expenditure, we may also require you to pay all or part of this amount to us or our designee, with 60 days' notice to you. If we exercise this option, we will contribute the collected amount to the Marketing Fund.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS [2]
Additional Participants in Training Program	Then current charge, currently $3,000 per person [5]	As incurred	You will pay this fee if (1) you invite additional employees to attend the Training Program, and we elect to permit such persons to attend at your cost, or (2) you appoint a new Operating Partner or Designated Manager.
Other Additional Training	Then current charge, currently $750 per day (8 hr day), plus expenses. [5]	As incurred	You will pay us this fee if (1) we provide any portion of the Training Program more than one time, (2) you request, and we agree to provide, any portion of the Training Program on-site at your Restaurant, (3) we provide additional training because you (or your Operating Partner), or any manager and/or assistant manager we require (including any applicable Designated Manger) fails to complete the Training Program to our satisfaction, or is not properly trained to perform services at your Restaurant to our satisfaction, or (4) you (or your Operating Partner) request additional training after completion of the Training Program.
Successor Franchise Fee	$10,000	Before successor term is effective	Payable if you renew your franchise for one renewal franchise term after the expiration of the Franchise Agreement. Your right to renew your franchise is subject to certain terms and conditions.
Transfer Fee	$10,000	Before transfer completed	Payable as a condition of transfer (unless the transfer occurs because you or your Operating Partner dies or is disabled, if transfer is to an immediate family member, or the transfer is of a non-controlling interest in you, though you must still reimburse us our direct costs in those circumstances).
Relocation Fee	$10,000	Before relocation	If we allow you to relocate your Restaurant, this relocation will be at your own expense and you must pay us a fee.
Audit	Understated amounts, plus interest, plus amount of audit fees and related expenses.	Within 15 days after receiving the examination report	Due if you fail to furnish any reports we require or understate Gross Sales[3] by more than 3%.

TYPE OF FEE[1]	AMOUNT	DUE DATE	REMARKS[2]
Interest	Lesser of 1.5% per month or highest commercial contract interest rate allowed by law	As incurred	Due on all overdue amounts and accruing as of the original due date.
Insufficient Funds	$100	As incurred	Due each time we attempt to debit your business account and we receive a notice of insufficient funds.
Maintenance and Refurbishing of Restaurant	You must reimburse our expenses	As incurred	If you do not undertake efforts to correct deficiencies in your Restaurant's appearance promptly after we notify you of the deficiencies, then we can undertake the repairs and you must reimburse our costs.
Insurance	You must reimburse our costs, plus a reasonable fee for our time incurred	When billed	If you fail to obtain insurance, we may obtain insurance for you.
Lease Rider Review Fee	You must reimburse our costs, including attorneys' fees	When billed	If you or the landlord request that we consider any modifications to the Lease Rider (as defined in Item 11). We are not required to review or accept any requested changes.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us and our affiliates if any of us are held liable for claims related to your Restaurant's operations or the Franchise Agreement.
Costs and Attorney's Fees	Will vary under circumstances	As incurred	Prevailing party in an action or proceeding must pay costs and attorneys' fees of the non-prevailing party.
Testing of new product/supplier	Varies under the circumstances, currently $250 per hour, plus costs	As incurred	We may charge you an amount up to the reasonable cost of the inspection and the actual cost of the test.
Management Fee	$750 per day (plus costs and expenses)	As incurred	Due when we (or a third party) manage your Restaurant after your default or abandonment.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS [2]
Technology Fee	Currently, $25 per month	As incurred	We may require you to pay a fee for technology related services (to us, our affiliates, or other vendors we designate), for technology-related services, including website or email hosting, help desk support, software or website development, and enterprise solutions. Currently, we charge a ~~t~~Technology ~~f~~Fee of $25 per month for ~~access to Grabbalink~~your Grabbagreen.com hosted webpage and other IT services and support~~ we provide. We may modify this fee periodically~~. You must also reimburse our costs if we travel to your Premises to provide any such services. The Technology fee will vary depending on these costs and depend on the nature of the services we provide you. There is no formula or maximum amount for calculating the Technology Fee.
Lost Revenue Damages	Will vary under the circumstances	As incurred	If your Franchise Agreement is terminated by you without cause or by us, you will pay us lost revenue damages equal to the net present value of the balance of your Royalties, Marketing Fund Contributions and Local Advertising Cooperative Contributions, from the date of termination until the earlier of (i) 5 years from the date of termination, or (ii) the scheduled expiration date of your Franchise Agreement (calculated based on the average monthly amounts during the preceding 12 calendar months, or if you have been operating your Restaurant for less than 12 calendar months as of the termination date, on the average monthly amounts of all Restaurants operating during our previous fiscal year).

Explanatory Notes

1. Except as described in this Item 6, all fees are imposed and collected by and payable to us, though we may transfer these rights to our affiliates. These fees are not refundable. We have negotiated certain of our fees described above for previous franchisees, therefore the fees will not be uniformly imposed; however, we anticipate imposing such fees uniformly for new franchisees.

2. You must pay the Royalty, the Marketing Fund Contribution and other amounts due under the Franchise Agreement as we periodically prescribe. Currently, we require all payments to be made through an electronic funds transfer system that allows us to debit a business account you designate for all amounts you owe us on their due dates or the next business day if the due date is a national holiday or a weekend day. You must ensure that funds are available in your designated account to cover our withdrawals. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date. We may require you make payments through any other method at any time, and you must comply with our payment instructions.

3. "Gross Sales" means all revenue that you receive, directly or indirectly, from operating your Restaurant, including all amounts or other consideration you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. Gross Sales will also include amounts you earn from the sale of any online group-bought deals (e.g., Groupon or LivingSocial) and the sale of any gift cards or gift certificates, in each case calculated using our then current guidelines, which may be based on the redeemed value or sale price of the deals, cards or certificates. Gross Sales does not, however, include any federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority, or gratuities. We will require that you provide your profit and loss statements to us on a monthly basis for our review in a manner that we prescribe. If we cease to have access to your Gross Sales via the Computer System (defined in Item 11) and you fail to report your Restaurant's Gross Sales when due, then for each payment calculated based on Gross Sales, we may debit your business account 110% of the average of the last 3 applicable payments we debited. If the amount we debit is more than the amount you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account on the next payment due date.

4. We may, upon 60 days prior written notice to you, change the required Marketing Fund Contribution, Local Advertising Expenditure or Local Advertising Cooperative contribution. However, the combined Marketing Fund Contribution, Local Advertising Expenditure and Local Advertising Cooperative contribution will not at any time exceed the Maximum Advertising Expenditure (as defined in Item 11).

5. You must pay all travel and living expenses (including wages, transportation, food, lodging and workers' compensation) incurred by you (or your Operating Partner), your Designated Manger or any of your employees during all training courses and programs. You must also pay all travel and living expenses (including transportation, food, and lodging) incurred by any of our trainers or staff we send to your Restaurant to provide training courses or programs.

Item 7.
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT [1]	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee [2]	$30,000	Lump sum	At signing of Franchise Agreement	Us
Leasehold Improvements[3]	$90,000 - $157,118	As incurred	Before you open your Restaurant	Third-Party Suppliers
Furniture and Fixtures [4]	$115,838 - $125,000	As incurred	Before you open your Restaurant	Third-Party Suppliers
Interior and Exterior Signage	$10,000 - $20,000	As incurred	Before you open your Restaurant	Third-Party Suppliers
3 Month's Rent[5]	$10,000 - $20,000	As incurred	As incurred	Third Parties
Security Deposits[6]	$0 - $10,000	As incurred	As incurred	Third Parties
Utilities[7]	$0 - $4,000	As incurred	As incurred	Third Parties
Opening Inventory and Supplies [8]	$2,000 -$5,000	As incurred	Before you open your Restaurant	Third-Party Suppliers
Insurance [9]	$1,150 - $2,700	As incurred	Before you open your Restaurant	Insurance Companies
Training: Living and Travel Expenses [10]	$500 - $5,000	As incurred	Before you open your Restaurant	Third-Party Suppliers
Crew Training [11]	$500 - $1,000	As incurred	Before you open your Restaurant	Third-Party Suppliers
Professional Fees [12]	$6,000 - $10,200	As incurred	Before you open your Restaurant	Third-Party Suppliers
Eat Clean and Free Program [13]	$1,200 - $2,500	As incurred	Beginning 1 week before you open your Restaurant and 2 weeks after your Restaurant opens.	Third Parties

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT[1]	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds - 3 months[14]	$15,500 - $20,000	As incurred	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT[15]	**$282,688 - $412,518**			

Explanatory Notes

1. Except as otherwise provided, none of the amounts payable to us or our affiliates in this table are refundable under any circumstances. All amounts payable to third parties will be paid pursuant to the terms of your agreement with these respective third parties.

2. You must pay us the Initial Franchise Fee in a lump sum when you sign the Franchise Agreement. As described in Item 5, the Initial Franchise Fee for your first Restaurant is $30,000, and for your second or subsequent Restaurant will be $20,000. If you (or your Operating Partner) or your Designated Manager are unable to complete the Training Program to our satisfaction, we may terminate the Franchise Agreement, in which case (if you sign a general release in the form we designate), we will refund half of the Initial Franchise Fee to you; otherwise, the Initial Franchise Fee is not refundable in whole or in part under any circumstances.

3. Our estimate of leasehold improvements assumes that you have leased a "white box" space, and does not include any build-out costs associated with installing HVAC systems, bathrooms, bathroom plumbing or fixtures, electrical service to the space, concrete slab, four walls that are prepped for painting, ceiling, demolition, store front and door, rear service door required by code or alarm/fire-suppression systems. Leasehold improvements include the cost of millwork, interior wall construction prepped for paint, paint, wall and floor finishes, plumbing which includes floor sinks, grease trap and sinks, service electrical, decorative lighting fixtures, and other costs of developing your Business. Depending on the terms you negotiate with your landlord, the landlord may contribute to the costs of your leasehold improvements and your costs will vary based on the level of contribution of the landlord. This estimate does not include any landlord provided tenant allowance or other rent credits. Estimated costs identified here are for tenant improvements of a typical property approximately 1,450 to 1,650 square feet. Pricing in materials, labor and code-related costs may be more or less depending on the location, size, layout, and other factors, such as the brands and quality of materials. These numbers are inclusive of fees by licensed professionals (such as project managers, general contractors and licensed tradesman) who are contracted to install electrical, plumbing, and HVAC (heating, ventilation, air conditioning) but do not include architect fees. Your costs may be less or more than this estimate, depending upon where you are planning to open your Restaurant or if you

receive the premises in any condition other than what is in the "white box" description above or a non-standard commercial property.

4. The cost of the furniture and fixtures will depend on the brands purchased, freight and installation costs, applicable state and local taxes and other factors. This estimate also includes the cost of the Computer System.

5. The cost of acquiring or leasing your Premises will vary significantly depending upon the market in which the proposed site is located. A suitable building for a Restaurant will range in size from approximately 1,450 square feet to 1,650 square feet. Local market conditions, changes in the economy and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of the Restaurant or they may require that the lessee reimburse the lessor for its proportionate share of these payments (plus interest) made for the lessee and pay minimum monthly rent and/or percentage rent. We must approve your Premises and your Lease (as defined in Item 11). (See Item 11)

6. The rent deposit may be refundable under the terms of your Lease.

7. Utilities include gas service, electric service and other utilities as you might need to operate your Restaurant. Utility companies may also require you to place a deposit before installing telephone, gas, electricity and related utility services. These deposits may be refundable in accordance with the agreements made with the utility companies.

8. Opening supplies and inventory include branded paper products, pre-packaged food and bottled beverages, food supplies, and other merchandise or products sold by the Restaurant. Due to differences in local laws, prices, suppliers, geography and commercial practices, you may elect to carry a larger inventory. The cost of your opening supplies and inventory will depend on the brands purchased, local costs and other factors.

9. You must obtain and maintain certain types and amounts of insurance. (See Item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, Gross Sales, number of employees, wages paid, square footage, location, business contents, and other factors bearing on risk exposure. Insurance providers may require either an annual payment or semi-annual installments. The estimates contemplate a semi-annual installment. These estimates also include an allocation of the premium you must pay in connection with the workers' compensation insurance you are required to obtain for your employees. However, workers' compensation insurance will vary from state to state. You should review the rates in the state in which you are opening your Restaurant for an estimate of the premium you will be required to pay.

10. This includes transportation, food, lodging, and other expenses that you will incur when you (or your Operating Partner) and your Designated Manager attend the Training Program. These expenses may vary based on the distance travelled and the standard of living your

attendees desire while attending the Training Program. You may at your election (and with our approval) send additional employees to attend the Training Program (see Item 11). The figure we provide above does not include an estimate of the costs associated with sending any person other than you (or your Operating Partner) and your Designated Manager to attend the Training Program. You may also request that we provide any portion of the Training Program on-site at your Restaurant, but we are not required to grant your request. If you request (and we elect to provide) any portion of the Training Program on-site at your Restaurant, you must pay our then-current training fee (currently, $750 per day), plus the cost of transportation, food, lodging and other expenses incurred by our trainers and staff in travelling to your Restaurant to provide such on-site assistance (see Item 11). The figure provided above assumes that we are not providing any portion of the Training Program on-site.

11. You are responsible for providing a training program that we designate for all your employees other than the attendees of the Training Program. All employees must satisfactorily pass this training program before providing services at your Restaurant. Costs associated with training your employees will include training materials, and salary and payroll expenses. We estimate that you will need to provide crew training of at least 10 hours to at least 12 employees.

12. This includes fees for legal (e.g. franchise documentation review) and start-up costs associated with the franchisee's new corporate entity. This also includes the cost of retaining our designated supplier of architectural services. These costs will vary based on the amount of professional services you elect to use, and the cost of the service providers you elect to retain.

13. The Franchise Agreement requires you to offer an Eat Clean and Free Program (as defined in Item 11) in connection with your Restaurant's grand opening. We estimate that your Eat Clean and Free Program will cost approximately $1,200 if you offer the minimum number of free meals to customers. As described further in Item 11, you may elect to offer additional meals to customers, thereby increasing the cost of your Eat Clean and Free Program.

14. This item estimates your initial start-up expenses (other than the items identified separately in the table) for your Restaurant's first 3 months of operation, including miscellaneous supplies and equipment, payroll costs, petty cash, and other miscellaneous costs. These figures are an estimate, and we cannot guarantee that you will not have additional expenses starting your Restaurant. This estimate is based primarily on the miscellaneous start-up costs incurred by our affiliates in opening Restaurants in the area of Phoenix and Scottsdale, Arizona (the "Company Restaurants"), though we have also considered the costs incurred by the franchised Restaurants, to the extent we had access to reliable data from franchisees for such costs. Your costs depend on how closely you follow our methods and procedures; your management and sales skills and experience and business acumen; local economic conditions; the local market for advertisements; the prevailing wage rate; and the employment levels reached during the initial period.

15. The estimated initial investment figures shown above for constructing and opening a Restaurant are based primarily on the costs incurred by our affiliates in opening Company Restaurants. You should review these figures carefully with a business advisor before deciding to acquire the franchise. The estimated initial investment figures provided in this chart assume that you (or your Operating Partner) are not paid any salary or wages, and do not include an estimate

of such amounts or any other associated payroll costs for you (or your Operating Partner). We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

Item 8.

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Specifications for Products, Services and Suppliers

We have developed or may develop standards and specifications for types, models and brands of required fixtures, furniture, equipment, inventory, components of the Computer System, furnishings, and signs, and other products, materials, supplies and services to be used at the Restaurant (collectively, the "Operating Assets"). You must purchase and use only the products and services meeting our standards and specifications.

We may also develop standards and specifications for suppliers and distributors of certain products and services, including by designating certain suppliers and distributors as an approved supplier, or the exclusive supplier of certain products or services. If we do so, you must purchase the specified these products and services only from distributors and suppliers that meet our standards and specifications, or that we have approved. Our affiliates or we may be a designated or approved supplier or distributor, or otherwise be a party to these transactions.

Approval of a product or supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria. We may not elect to issue to you or any of our approved suppliers (except as we deem necessary for purposes of production) these standards and specifications. Our standards and specifications for products and services, and criteria for suppliers, are not currently issued to franchisees or approved suppliers.

If you would like to purchase any products, services, Operating Assets or materials from a supplier that we have not yet approved (for products, services, Operating Assets or materials that we require you to purchase from designated or approved suppliers), you must submit to us a written request for approval of the proposed product and/or supplier before using or purchasing any item. We may charge you a fee to make the evaluation, including reimbursement for costs associated with the research and inspection (currently, $250 per hour, plus expenses). We have the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered at our option either directly to us or to a third party we designate for testing. We will notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation of the proposed supplier. If we fail to respond within 60 days, your request will be deemed denied. We may elect to withhold approval of the supplier. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if we already have designated an exclusive supplier for the item proposed to be offered by the new supplier. We may revoke our approval of any supplier at any time if the supplier does not continue to meet any of our criteria. We also may charge suppliers a royalty for the right to manufacture products for use in the Restaurants.

Currently, you must purchase (i) the point-of-sale system and license fees, architectural services, site selection services, credit card processing services, food packages and labels, paper menus, branded cups and bags, interior signage and decor, tables and chairs, juice equipment, and branded snacks, food products and sauces from our designated exclusive suppliers of such products and services, and (ii) all other food, ingredients, printed paper and packaging, signage, products and services from suppliers that we have approved. Currently, neither we nor any of our affiliates are an approved supplier, or the exclusive ~~supplier~~provider, of any required products or services; however, we currently grant you access to the Grabbalink online platform, which we have licensed from a third-party provider. We have no continuing obligation to offer you access to the Grabbalink online platform, and we may elect to restrict or modify your access at any time. We may require you to use approved suppliers for other goods and services in the future, or to designate an exclusive supplier for other items in the future, which may be us (or our affiliates).

Collectively, the purchases you obtain according to our specifications or from approved or designated suppliers represent approximately 95% of your total purchases to establish your Restaurant and up to 95% of your total purchases to operate your Restaurant.

Insurance

In addition to the purchases or leases described above, you must also obtain and maintain, at your own expense and from carriers who maintain a Best's Financial Strength rating of "A-/VIII" or above, the minimum insurance coverage that we periodically require under the Operations Manual. Currently, we require the following types of minimum coverage: general liability ($1,000,000), damage to Premises ($100,000), personal injury ($1,000,000), motor vehicle combined ($1,000,000), product liability ($2,000,000), employment practices liability insurance ($500,000), employee workmen's compensation (statutory limits), general aggregate umbrella ($2,000,000). The general liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Restaurant's operation or activities of your personnel in the course of their employment. We may require that you obtain all or a portion of your insurance policies from a designated supplier. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Each insurance policy must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for 30 days' prior written notice to us before the cancellation or material change of the policy. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You routinely must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums.

Purchase Agreements, Material Benefits and Revenue

We have negotiated purchase arrangements, including price terms, for the benefit of franchisees with manufacturers and suppliers of the point-of-sale system, architectural services, credit card processing services, interior and exterior signage, and furniture. You may be required to purchase these items at a price or on other terms we have negotiated in advance. We also may establish purchasing programs with certain suppliers for supplies, equipment, and other materials. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives for Restaurants.

We and/or our affiliates may derive revenue from goods or services that we or our affiliates sell to franchisees; however, currently neither we nor any of our affiliates is a supplier of any products or services to franchisees. Therefore, neither we nor any of our affiliates collected any revenue from franchisee purchases during our 2016 fiscal year.

We and/or our affiliates may also derive revenue from third-party suppliers on the basis of franchisee purchases and sales. Currently, we are entitled to receive a rebate of $150 per account from our designated supplier of point-of-sale software. However, in our 2016 fiscal year, neither we nor any of our affiliates collected any amounts from such supplier on the basis of franchisee purchases. We do not provide material benefits to franchisees for purchasing particular products or services or using designated or approved suppliers.

As of the issuance date of this Disclosure Document, none of our officers own any interest in any of the approved suppliers of products or services to franchisees; however, Keely Newman owns a minority interest in the entity that licenses us the Grabbalink online platform.

Item 9.
FRANCHISEE'S OBLIGATIONS

This table lists our 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 FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
(a) Site selection and acquisition/lease	Sections 2A and 2B	Item 11
(b) Pre-opening Purchases/leases	Section 2	Item 5, 7, 8 and 11
(c) Site development and other pre-opening requirements	Section 2	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 4A and 4B	Items 6, 7, and 11
(e) Opening	Section 2F	Item 11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
(f) Fees	Section 2B, 3A-F, 4A, 8E, 9G, 8J, 11B, 12C(9), 13A(6), and 14C	Items 5, 6, and 7
(g) Compliance with standards and policies/Operations Manual	Sections 4D and 8	Items 8 and 11
(h) Trademarks and proprietary information	Sections 5 and 6	Items 13 and 14
(i) Restrictions on products/services offered	Sections 8D	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	Section 8F	Item 11
(k) Territorial development and sales quotas	Not Applicable	Not Applicable
(l) On-going product/service purchases	Sections 8D and 8E	Items 6 and 8
(m) Maintenance, appearance and remodeling requirements	Section 8A, 8B and 8C	Items 6, 8, 11 and 17
(n) Insurance	Section 8J	Items 7 and 8
(o) Advertising	Section 9	Items 6, 7, 8, and 11
(p) Indemnification	Section 16D	Item 6
(q) Owner's participation/ management/staffing	Sections 1D and 8H	Items 11 and 15
(r) Records and reports	Section 10	Item 6
(s) Inspections and audits	Section 11	Items 6 and 11
(t) Transfer	Section 12	Item 17
(u) Renewal	Section 13	Item 17
(v) Post-termination obligations	Section 15	Item 17
(w) Non-competition covenants	Sections 7 and 15F	Item 17
(x) Dispute resolution	Section 17	Item 17

Item 10.

FINANCING

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

Item 11.

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Assistance to Begin Operation of a Restaurant

Before you open your Restaurant, we (or our designees) will:

1. Review and either approve or disapprove a proposed site for your Restaurant. (Franchise Agreement – Section 2A)

2. Review and either approve or disapprove your Lease. (Franchise Agreement – Section 2B)

3. Provide you, or our designated supplier of design specifications, the specifications we approve for Restaurants, including requirements for dimensions, design, image, interior layout, decor, Operating Assets, color scheme, interior decorating services, and designated and approved suppliers for your purchase of all necessary products and supplies. (Franchise Agreement – Sections 2C, 2D, 2E and 8).

4. Review your proposed development and construction plans and specifications (including, any revisions to such plans and specifications) for your Restaurant and provide you notice of whether we approve such plans and specifications. (Franchise Agreement – Section 2C)

5. Inspect your Restaurant prior to your proposed grand opening to confirm whether it meets our minimum standards and specifications, and provide you confirmation in writing when your Restaurant is approved to open. (Franchise Agreement – Sections 2F)

6. Provide the Training Program to you (or your Operating Partner), your Designated Manager and up to 3 other employees, and send a training team to your Restaurant to help with your grand opening. (Franchise Agreement – Sections 4A and 4B)

7. Provide you one electronic copy of the Operations Manual. (Franchise Agreement – Section 4D)

Site Selection and Lease Approval

You must obtain and maintain a site acceptable to us for your Restaurant. If a site for your Restaurant has not been selected by the date you sign the Franchise Agreement, you must submit to us a complete report for a site you propose. Unless you have our prior written approval to search for a proposed site outside of your Protected Territory (as defined in Item 12), all site reports that you submit to us must be for a site within your Protected Territory. We will use reasonable efforts to accept or not accept a proposed site within 30 days after receiving your site report. Our determination to approve or disapprove a site may be based on various criteria, which we may change in our discretion, including business count, traffic count, accessibility, size and layout, parking, visibility, competition and license availability. You must send us all information we require for the proposed site. We do not typically own the site where your Restaurant is located and lease it to you.

We must also approve the lease for your site (the "Lease"). The Lease must contain certain provisions we require, including collateral assignment of lease, pursuant to the form of lease rider attached as Exhibit F to the Franchise Agreement ("Lease Rider"). It is your sole responsibility to obtain a fully-executed Lease Rider in connection with executing your Lease. Our approval of your Lease is subject to our receipt of the Lease Rider in the form attached as Exhibit F of the Franchise Agreement, without modification or negotiation, executed by you and the landlord. If you or the landlord request that we consider any modifications to the Lease Rider, and we elect to do so, we may also require you to reimburse us all expenses that we incur (including attorneys' fees) in connection with such review. We may also reject any request for modifications to the Lease Rider for any reason.

You must obtain our approval of your Premises and your Lease within 180 days of the date of your Franchise Agreement; otherwise we may terminate your Franchise Agreement.

Development

You are responsible for developing the Premises. We do not provide you any assistance with obtaining, delivering or installing any Operating Assets, other than providing you our System Standards for such Operating Assets, including a list of any approved or designated suppliers for any such Operating Assets. You must develop, construct and decorate the Premises at your own expense according to plans and specifications approved by us and in compliance with the requirements of our System Standards, the Franchise Agreement and your Lease.

Opening Requirements

We estimate that you will begin operating your Restaurant at the Premises within 6 to 9 months of signing your Franchise Agreement, depending on when you complete the necessary training, develop the Premises, meet our standards and specifications, acquire the required insurance policies, meet all regulatory requirements, obtain all required permits, and obtain the required Operating Assets, including the Computer System and other supplies; however, some franchisees have taken longer to develop and open their Restaurants. We may terminate the

Franchise Agreement and retain your Initial Franchise Fee if you fail to open your Restaurant for full use by customers by the first anniversary of signing the Franchise Agreement.

We may allow qualified franchisees to purchase multiple franchises and execute multiple Franchise Agreements concurrently ("Concurrent Multi-Unit Franchises"). If we grant you Concurrent Multi-Unit Franchises, we may allow you to open such Restaurants on a different schedule. In such case, each Concurrent Multi-Unit Franchise must be opened in accordance with a schedule that we agree on with you prior to executing the Franchise Agreements.

Assistance During the Operation of Your Restaurant

During your operation of your Restaurant, we (or our designees) will:

1. Advise you regarding your Restaurant's operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Restaurants use, including (1) standards, specifications, and operating procedures and methods that Restaurants use, including facility appearance, guest service procedures, and quality control; (2) equipment and facility maintenance; (3) inventory management and working with national suppliers; (4) advertising, marketing and branding strategies; and (5) administrative, accounting, reporting and record retention. (Franchise Agreement – Section 4C)

2. Continue to provide you access to the Operations Manual. (Franchise Agreement – Sections 4D)

3. Let you use our Marks and certain copyrighted and copyrightable materials. (Franchise Agreement – Section 5) (See Items 13 and 14)

4. Administer the Marketing Fund (defined below) until such time as it may be terminated. (Franchise Agreement – Section 9D)

Operations Manual.

We will inform you of our System Standards, and information on your other obligations under your Franchise Agreement, through one or more separate manuals, as well as audiotapes, videotapes, compact discs, computer software, information available on an internet site, other electronic media, bulletins and/or other written materials (collectively, the "Operations Manual"). We may modify the Operations Manual periodically to reflect changes in System Standards. The current table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit C. There are currently a total of 239 pages in our Operations Manual.

Advertising and Promotion.

Eat Clean and Free Program. You must offer free meals to customers of your Restaurant as part of an Eat Clean and Free grand opening marketing program (your "Eat Clean and Free Program"). You must comply with our guidelines for your Eat Clean and Free Program and conduct it in accordance with our System Standards, including by offering the minimum number of free meals to the minimum number of customers we specify, during the hours we specify. We must approve the date that you will conduct your Eat Clean and Free Program, which must be within the first 10 calendar days after your opening date. You may elect to conduct additional marketing or extend the duration of your Eat Clean and Free Program, in your discretion, though you must continue to conduct all such marketing and the Eat Clean and Free Program in full compliance with your Franchise Agreement and with our System Standards.

National Marketing Fund. We maintain and administer a national advertising and marketing fund, and you must contribute 1% of your Gross Sales ("Marketing Fund Contribution") to that fund (the "Marketing Fund"). The Marketing Fund Contribution is payable in the same manner as the Royalty. (See Item 6) The Company Restaurants will in the aggregate contribute to the Marketing Fund an amount calculated on the same percentage basis as our franchisees. However, individual Company Restaurants may contribute more or less, on an individual unit basis, than the percentage contributed by our franchisees. Currently, all franchisees contribute to the Marketing Fund on the same basis.

We intend for the Marketing Fund to promote the Marks, patronage of Restaurants and the grabbagreen brand generally. Although we will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place these materials that will benefit all Restaurants, we cannot ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to Marketing Fund Contributions by contributors operating in that geographic area or that any contributor benefits directly or in proportion to its Marketing Fund Contribution from the development of advertising and marketing materials or the placement of advertising. We have no obligation to use the resources of the Marketing Fund to conduct local advertising for your Restaurant.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may pay for producing video, audio, written materials and other electronic media; developing, implementing, and maintaining Franchise System Websites (defined below) or related websites that promote Restaurants and/or related strategies; administering regional and multi-regional marketing and advertising programs (including purchasing trade journal, direct mail, and other media advertising); developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio, and/or on the internet, whichever we think best.

In our 2016 fiscal year, the Marketing Fund expenditures were used to pay for: (i) media production, including logo and signage designs and production (11.15%), (ii) media placement, including website hosting and email marketing services (3.43%), and (iii) other expenses, including public relations and marketing consulting services (85.42%). In our 2016 fiscal year, none of the Marketing Fund expenditures were used on administrative expenses or principally to solicit franchise sales.

We will account for the Marketing Fund separately from our other funds. We may use the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund, the Marketing Fund's other administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including research, public relations, preparing materials, and collecting and accounting for Marketing Fund Contributions.

The Marketing Fund is neither our asset nor a trust. We have an obligation to hold all Marketing Fund Contributions for the benefit of the contributors and to use Marketing Fund Contributions only for their permitted purposes described above. We have no fiduciary obligation to you for administering the Marketing Fund. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Marketing Fund Contributions to pay costs before spending the Marketing Fund's other assets. Any funds remaining in the Marketing Fund at the end of the year will roll over to the next year. We will not use Marketing Fund Contributions for advertising that principally is a solicitation for the sale of franchises.

We will prepare an unaudited statement of Marketing Fund collections and expenses on an annual basis and provide it to you upon written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity as we think appropriate. Our successor entity will have all of the rights and duties described here.

We may use collection agents and institute legal proceedings to collect Marketing Fund Contributions at the Marketing Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as otherwise disclosed, we assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund Contribution and, upon 30 days' prior written notice to you, reduce or suspend Marketing Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will continue to spend all unspent monies in accordance with our then-current policies for the Marketing Fund, until such amounts are exhausted. (Franchise Agreement – Section 9D)

Local Advertising. We do not currently require you to spend a minimum amount on local advertising, but we may establish such a requirement in the future require (the "Local Advertising Expenditure"). If we require a Local Advertising Expenditure, then upon our request, you must send us, in the manner we prescribe, an accounting of your Local Advertising

Expenditures during the preceding months. We may, upon 60 days' notice, issue you a notice that all or part of the Local Advertising Expenditure must, instead, be paid to us or our designee. If we exercise this option, we will contribute the collected amount to the Marketing Fund. However, we may also elect, on one or more occasions, to temporarily or permanently cease collecting all or part of the Local Advertising Expenditure and instead require you to spend the portion of the Local Advertising Expenditure not collected.

You are solely responsible for conducing all local advertising for your Restaurant. You must advertise and market your Restaurant in any advertising medium we determine, using forms of advertisement we approve. You must also list your Restaurant with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®), and/or establish any other Online Presence (as defined in Item 13) we require or authorize. You must comply with all of our System Standards for your local advertising, including your Online Presences. We may also require you to engage a professional photographer at your sole cost to obtain professional photographs of your Restaurant, and to use such photographs in a manner we approve to advertising your Restaurant.

Your local advertising and promotions must follow our guidelines. We may require you to provide notice of any Franchise System Website in the advertising, marketing, and promotional materials that you develop for your Restaurant in the manner we designate. All advertising, promotion and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethics and our advertising and marketing policies.

You must send us for approval samples of all partnership, advertising, promotional, and marketing materials, which we have not prepared or previously approved at least 14 days before you intend to use them. If we do not approve the materials within 7 days of our receipt of these materials, then they will be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved in writing.

Local Advertising Cooperative. We, our affiliates, or our designees may establish a local advertising cooperative ("Local Advertising Cooperative") in geographical areas in which 2 or more Restaurants are operating. The Local Advertising Cooperative will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. These written documents will be available for participating franchisees to review. If we establish a Local Advertising Cooperative in your area, you will be required to participate and contribute your share to this cooperative program. The amount of the Local Advertising Cooperative contribution will be determined at the time the Local Advertising Cooperative is established, subject to our right to change the Local Advertising Cooperative contribution in accordance with the Maximum Advertising Expenditure. Local Advertising Cooperative contributions will be payable in the same manner as the Royalty. Restaurants owned by us or our affiliates in the United States will contribute to the appropriate Local Advertising Cooperative on the same percentage basis as franchisees.

We may change, dissolve and merge Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising

Cooperative covers. If, as of the time you sign the Franchise Agreement, we have established a Local Advertising Cooperative for the geographic area in which your Restaurant is located, or if we establish a Local Advertising Cooperative in that area during the Franchise Agreement's term, you must sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as those documents require.

Each Restaurant contributing to the Local Advertising Cooperative's area will have 1 vote on matters involving the activities of the Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. We will assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. Subject to our approval, the Local Advertising Cooperative will have discretion over the creative concepts, materials and endorsements used by it. The Local Advertising Cooperative assessments may be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for Restaurants in your area; purchasing direct mail and other media advertising for Restaurants in your area; implementing direct sales programs; and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for Restaurants in your area.

The monies collected by us for a Local Advertising Cooperative will be accounted for separately by us from our other funds and will not be used to defray any of our general operating expenses. You must submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative requires. Each Local Advertising Cooperative must prepare financial statements annually, which will be subject to review by participating franchisees.

You understand and acknowledge that your Restaurant may not benefit directly or in proportion to its contribution to the Local Advertising Cooperative from the development and placement of advertising and the development of marketing materials. Local Advertising Cooperatives for Restaurants will be developed separately and no cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect amounts owed to the Local Advertising Cooperative for and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Local Advertising Cooperative. (Franchise Agreement – Section 9E)

Maximum Advertising Expenditure. The combined Marketing Fund Contribution, Local Advertising Expenditure and Local Advertising Cooperative contribution must not exceed 2% of your Restaurant's Gross Sales ("Maximum Advertising Expenditure"). However, upon 60 days' notice, we may change the amount of the Marketing Fund Contribution, Local Advertising Expenditure or Local Advertising Cooperative contribution so long as those changes do not result in a combined Marketing Fund Contribution, Local Advertising Expenditure and Local Advertising Cooperative contribution greater than the Maximum Advertising Expenditure.

Franchisee Advisory Council. We ~~do not~~ have created and endorsed a franchisee advisory council ~~that advises us on~~for the System (the "Advisory Council"). The Advisory Council is intended to provide general guidance to our management team regarding an array of topics, which may from time to time include the advertising policies~~, though we may to establish such a council in the future.~~ of the System. We will determine the number of members that will comprise the Advisory Council, and such members will be elected by vote of the franchisees. The Advisory Council serves in an advisory capacity only and will have no operational or decision-making authority over the System. We are not obligated or bound by the Advisory Council. We have the right to change or dissolve the Advisory Council at any time.

Franchise System Website. We may establish, acquire, or host any website(s) to advertise, market, and promote Restaurants, the products and services that they offer and sell, and/or a Restaurant franchise opportunity (a "Franchise System Website"). We may, but are not obligated to, provide you with a webpage on a Franchise System Website that references your Restaurant. If we provide you with a webpage on a Franchise System Website, you must (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage, and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply). We have the right to maintain websites other than Franchise System Websites.

We may use the Marketing Fund's assets to develop, maintain and update any Franchise System Website. We periodically may update and modify any Franchise System Website (including your webpage). We have final approval rights over all information on any Franchise System Website (including your webpage). We may implement and periodically modify System Standards relating to any Franchise System Website.

Even if we provide you a webpage on a Franchise System Website, we will only maintain this webpage while you are in full compliance with the Franchise Agreement and all System Standards we implement (including those relating to Franchise System Websites). If you are in default of any obligation under the Franchise Agreement or our System Standards, then we may temporarily remove your webpage from any Franchise System Website (or all Franchise System Websites) until you fully cure the default. We will permanently remove your webpage from all Franchise System Websites upon the Franchise Agreement's expiration or termination.

We may require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions. We may charge you a fee for each email address we provide you as part of the Technology Fee (see Item 11).

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Restaurant, you must develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each Online Presence. At our request, you must grant us access to each Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of each Online Presence, or to help us obtain exclusive rights in each Online Presence.

Computer System

Before your Restaurant opens, you must obtain and use the hardware, software and other products and services we specify periodically (the "Computer System"). Currently, we require you to purchase the following components of the Computer System from Revel Systems, Inc. (the "Revel System"):

- 10 iPads
- 2 Cash Drawers
- 2 Credit Card Swipers
- 1 Receipt Printer
- Required Peripheral Equipment (Cords, Etc.)

You must also enter into a license agreement with Revel Systems, Inc. for use of certain software and hardware associated with the Revel System. We estimate the monthly license fee for the Revel System to be approximately $298 per month, depending on the number of registers in your Restaurant, which includes a warranty and maintenance and support services.

We may require you to pay a fee to us, or a service-provider we designate (which may be one of our affiliates) for technology related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Computer System and/or any Franchise System Website (your "Technology Fee"). We may modify the amount of your Technology Fee periodically. You must pay the Technology Fee at the times, and in the manner, designated by the provider of such services. We may require you to enter into a written agreement with the provider of any technology services, with terms and conditions we approve. Currently, we charge a Technology Fee of $25 per month for your access to Grabbalink and other IT support. If we travel to your Restaurant to provide any technological support and/or installation services, you must also reimburse us for the costs we incur for such site visit, including travel, food and lodging.

Except as specified above, you may purchase the components of the Computer System from any vendor of your choosing, and it may be a brand and model that you select as long as it meets our standards and specifications.

The cost of purchasing the Computer System may vary depending on whether you elect to purchase additional components or software programs, the physical layout of your Restaurant, and the high speed internet access inside your Restaurant. Currently, we estimate the cost of the Computer System to be approximately $6,613. This estimate reflects prices that we have negotiated in advance with Revel Systems Inc. on behalf of the Company Restaurants and grabbagreen franchisees generally. These prices may change if our negotiated arrangement with Revel Systems Inc. expires or is terminated, or if you elect to purchase the Computer System from the Revel Systems Inc. outside of the terms of our negotiated arrangement.

The Computer System we designate will give us and our affiliates independent, unlimited access to all information relating to your Restaurant generated by the Computer System, including polling, price maintenance and payroll information. There are no contractual limitations on our and our affiliates' right to access this information and data. At our request, you must sign a release with any vendor of the Computer System providing us with unlimited access to your data.

Over the term of your franchise, we may modify the specifications for and components of the Computer System and you must implement our modifications within 90 days after you receive notice from us. We may also require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. You must pay for any additional or replacement proprietary software or technology that we, our affiliates, or a third-party designee licenses to you and for other maintenance and support services that we, our affiliates or third-party designees provide during the Franchise Agreement's term. Although the future costs of the Computer System or required service or support might not be fully amortizable over the Franchise Agreement's remaining term, you must incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service and support. We currently estimate the annual cost of maintenance, updating, upgrading and support for the Computer System will be \$250 to \$500.

Training

Initial and Ongoing Training. At least 60 days before your Restaurant opens, we will provide an initial training program focusing on the material aspects of operating a Restaurant (the "Training Program"). Currently, our Training Program is comprised of approximately 3 to 4 weeks (approximately 50 hours per week) at our headquarters in Scottsdale, Arizona and at another designated training facility that we choose, and training videos of approximately 14 hours prior to attending training at one of our training facilities. Unless there is a qualified training facility in your area that we have approved to offer the Training Program, your designated training facility will be one of our Company Restaurants in Arizona. We will determine the identity and composition of the trainer(s) conducting all portions of the Training Program in our discretion. You (or your Operating Partner) and your Designated Manager must complete the Training Program to our satisfaction before opening your Restaurant. There is no fee for the Training Program for you (or your Managing Owner), your Designated Manager, and up to 3 additional employees that you choose (and we approve), if all such persons attend the Training Program at the same time, but you are responsible for the costs associated with attendance for all your attendees, including travel and living expenses.

If we provide any portion of the Training Program more than one time, for example, to accommodate conflicting schedules of attendees, we may charge you our then-current training fee (currently, $750 per day (8 hour day), plus expenses) for any training that has been previously provided to at least one member of your team. We may also elect not to provide any portion of the Training Program more than once. You may invite additional employees to attend the Training Program if space allows, though we may charge you our then-current training fee (currently, $3,000 per person) for each additional individual. We may limit the number of additional attendees for the Training Program. You may request that we provide any portion of the Training Program on-site at your Restaurant, and we will determine whether to provide such on-site training in our sole discretion. If we provide any portion of the Training Program on-site at your Restaurant we will charge our then current training fee (currently, $750 per day (8 hour day), plus expenses).

We may vary the length and content of the Training Program based upon the experience and skill level of the individuals attending. We provide instructional materials and resources at the Training Program, including the Operations Manual, agendas, and other materials, which cover information on us, establishing your business, day-to-day operating procedures, reporting functions, branding, human resources guidelines, marketing, guest service procedures, equipment and facility maintenance, working with suppliers, quality control, and other administrative issues. We may also establish pre-training requirements, which the attendees will be expected to meet before attending the Training Program, including study of provided materials and exams.

If we do not feel that you (or your Operating Partner) and your Designated Manager have completed the Training Program to our satisfaction, we may require these individuals to attend additional training, and we may charge you our then-current additional training fee (currently, $750 per day (8 hour day), plus expenses). If you (or your Operating Partner) or your Designated Manager are unable to satisfactorily complete the additional training, we may terminate the Franchise Agreement and we will refund half of your Initial Franchise Fee.

The Training Program will occur after you sign the Franchise Agreement. We offer the Training Program on an as-needed basis.

You (or your Operating Partner) or your Designated Manager may request additional training at the end of the Training Program if your attendees do not feel sufficiently trained in the operation of a Restaurant. We and you will jointly determine the duration of this additional training. We may charge you our then-current fee for this additional training (currently, $750 per day (8 hour day)). However, if your attendees satisfactorily complete our Training Program and have not expressly informed us at the end of the program that they do not feel sufficiently trained in the operation of a Restaurant, then you and they will be considered to have been trained sufficiently to operate a Restaurant.

If you appoint a new Designated Manger, he or she must attend the then-current Training Program within 30 days of the date of appointment and you must pay us our then-current training program fee (currently, $3,000 per person), unless we determine that you are sufficiently trained to provide a comparable substitute training program to such Designated Manager. If we permit you to train any Designated Manager yourself, you must provide such training according to our then-current standards and specifications, and we must determine that such Designated Manager has been adequately trained prior to providing any services at your Restaurant. If we determine that any Designated Manager that you trained is not sufficiently trained to provide services at your Restaurant, we may require such person attend our Training Program and you must pay us our then-current training program fee (currently, $3,000 per person). If we determine that you are sufficiently trained to provide a comparable substitute training program to any Designated Manager, we may not make the Training Program available to such person until the next time our Training Program would otherwise be offered.

You are responsible for providing a training program that we designate for all your employees other than the attendees of the Training Program. All employees must satisfactorily pass this training program before providing services at your Restaurant. If we determine that you (or your Operating Partner), your Designated Manager or any employee is not properly trained to provide the services offered by your Restaurant, we may require this person to cease providing services at your Restaurant and/or to be trained by one of our trainers at our then-current training fee (currently, $750 per day (8 hour day)).

We may require you (or your Operating Partner) or your Designated Manager to attend various training courses, trade shows, ongoing education or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third-parties we designate. Besides attending these courses, you (or your Operating Partner) and your Designated Manager must attend an annual meeting of franchisees and/or regional meetings of franchisees. These meetings will be held at our discretion and at a location we designate. Any attendance at any additional training courses, programs or events, or any annual or regional franchisee meetings will not be required for more than 5 days during any calendar year, except that once every 5 years we may require additional training for up to 10 days during that calendar year.

You must pay all travel and living expenses (including wages, transportation, food, lodging, and workers' compensation insurance) that you (or your Operating Partner) and your Designated Manager, or any other employee incurs during the Training Program, any additional training, or at any meetings and/or other training courses and programs, You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Restaurant to conduct on-site assistance, including food, lodging and transportation.

You understand that any specific ongoing training or advice we provide does not create an obligation for us to continue to provide this specific training or advice, all of which we may discontinue and modify. (Franchise Agreement – Section 4A)

As of the issuance date of this Disclosure Document, we provide the following Training Program:

TRAINING PROGRAM

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Welcome and Introduction	3	0	Our headquarters
Station Training (FOH)	0	30	A designated training facility
Station Training (BOH)	0	16	A designated training facility
Open/Closing Training	0	16	A designated training facility
Food Preparation	0	34	A designated training facility
Vendor Information	0	2	A designated training facility
Product Ordering & Par Levels	0	12	A designated training facility
Nutritional Info/Website	4	0	Our headquarters
Point of Sale Training	8	0	Our headquarters
Admin/Banking/HR	0	14	A designated training facility
Manager on Duty	0	40	A designated training facility
Tests	0	3	A designated training facility
Marketing	4	0	Our headquarters
Homework/ServSafe	16	0	Online courses
TOTALS:	**35**	**131**	

Note 1: The hours devoted to each module are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject and scheduling. On-the-job training includes cross training in all subject areas of the business.

Note 2: We may vary the length and content of the Training Program based upon the experience and skill level of the individual attending.

Note 3: Our current instructors are ~~Kim Cramton,~~ Jeff Farnell, and Angie Bustos. ~~Kim has 3 year of experience with us and our affiliates and 28 years of experience in the subjects taught.~~ Jeff has 2 years of experience with us and our affiliates and over 30 years of experience in the subjects taught. Angie has 2 years of experience with us and our affiliates and 2 years of experience in the subjects taught.

Note 4: This chart includes pre-training programs, which may be required before the start of either the Training Program, and can include study of provided materials and associated exams.

Initial On-Site Assistance. For no less than 2 days before you open your Restaurant, and 2 days after you open your Restaurant (which days may not be consecutive) we will send a training team (the identity and composition of which will be in our discretion and may be comprised of only 1 person) to your Restaurant to assist you with final suggestions on your Restaurant and provide on-site advice, guidance, and initial operations support. We will not charge an additional fee for providing such services (Franchise Agreement – Section 4B).

Item 12.
TERRITORY

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will designate a certain geographic area in your Franchise Agreement (your "Protected Territory"). If we at any time we determine that your Protected Territory can support another Restaurant, and we identify a prospective franchisee that wishes to develop a Restaurant within your Protected Territory, we will first send you a notice of the proposed development, and you will have a right of first refusal to develop an additional Restaurant in your Protected Territory, subject to certain terms and conditions (your "Right of First Refusal").

Your Right of First Refusal will depend on you meeting certain conditions, including: (i) you notify us that you intend to exercise your Right of First Refusal within 10 business days of receiving our notice of the proposed development, (ii) you meet all of our then-current criteria for new franchisees, (iii) you have paid all amounts owed to us under your Franchise Agreement, and all other amounts owed to us, our affiliates, and/or any third-party vendors, (iv) you have not violated any provision of your Franchise Agreement or any other agreement with us or our affiliates, (v) you sign our then-current form of franchise agreement to develop the proposed Restaurant, and any other documents we may require at that time for new franchisees, including personal guarantees by your owners, (vi) you pay us our then-applicable initial franchise fee for new franchisees, in the same amount that would have been paid by the prospective franchisee,

(vii) you (and your owners) sign the other documents we require, including a general release, and (viii) we have determined that the cost of developing the proposed Restaurant will not adversely affect the operation of your existing Restaurant. If you elect not to exercise your Right of First Refusal, or you do not meet the conditions we specify to exercise your Right of First Refusal, we may grant the prospective franchisee we have identified the right to develop a Restaurant in your Protected Territory. We may continue to solicit franchisees for Restaurants in your Protected Territory and there is no limitation on our right to do so.

We may modify or remove your Protected Territory, and terminate your Right of First Refusal, if you are in default of the Franchise Agreement or any other agreement with us and our affiliates. Additionally, if a Restaurant is ever developed and opened in your Protected Territory by a third-party franchisee after you have elected not to exercise your Right of First Refusal, or failed to meet the conditions we specify to exercise your Right of First Refusal, your Protected Territory and Right of First Refusal will immediately terminate, and you will have no further territorial protections or rights of first refusal in any location at any time.

You may not assign your Right of First Refusal to a third party without our prior written approval. Nothing in the Franchise Agreement restricts our or our affiliates' right to open a Restaurant in any location, including within the Protected Territory, and you have no right of first refusal as it relates to Restaurants developed by us or our affiliates. Your rights over the Protected Territory are not dependent on achieving a certain sales volume, market penetration or other contingency. You have no options, rights of first refusal or similar rights to acquire additional franchises.

The designation of the Protected Territory by us depends on various market conditions around the proposed Premises, including density of population, number of competitors in the market, site availability, growth potential and geographic barriers. We typically define the boundaries of your Protected Territory as a circle with your Restaurant at its center and a specified radius between 5 blocks and 3 miles long. We may also define the boundaries of your Protected Territory by political subdivisions (e.g., cities or counties), streets and highways, zip code boundaries, or other similar designations. If the Premises has not be determined when you sign the Franchise Agreement, we will determine the geographical area of the Protected Territory in connection with our approval of the Premises.

We and our affiliates retain all other rights with respect to our businesses activities, including:

(1) the right to establish and operate, and allow others to establish and operate, other Restaurants and other businesses using the Marks or the Franchise System, at any location, subject to your Right of First Refusal in your Protected Territory, and on any terms and conditions we approve;

(2) the right to establish and operate, and allow others to establish and operate, additional concepts or businesses providing products or services similar to those provided at Restaurants anywhere, including within your Protected Territory, under any trade names, trademarks, service marks and commercial symbols other than the Marks;

(3) the right to establish, and allow others to establish, other distribution channels (including, the internet or retail stores) wherever located or operating, including within your Protected Territory, regardless of the nature or location of the customers, and regardless of the trade names, trademarks, service marks or commercial symbols used by such business, which may include the Marks and/or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Restaurants, and which may sell products and/or services that are identical or similar to, and/or competitive with, those that Restaurants customarily sell under any terms and conditions we approve;

(4) offer and sell (and grant others to offer and sell) goods and services to customers located anywhere, including in your Protected Territory;

(5) the right to acquire, or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) a business providing products and services similar to those provided at Restaurants, even if such business operates, franchises and/or licenses competitive businesses;

(6) engage in all other activities not expressly prohibited by your Franchise Agreement.

We are not required to pay you if we exercise any of the rights specified above.

We may offer and sell (and grant others the right to offer and sell) goods and services to customers located anywhere, including in your Protected Territory. Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells services or products similar to the services or products offered at Restaurants, but we may do so in the future.

There are no limitations on your ability to solicit customers in any location. However, except in connection with an approved Franchise System Website, you may not engage in any promotional or similar activities, whether directly or indirectly, via the internet, electronic mail, or any other similar systems. You may not sell any Restaurant product or service through any alternative channel of distribution, including the Internet.

You may only operate your Restaurant at the Premises. You may not relocate your Restaurant to a location other than the Premises or open additional locations without our prior written approval. If we allow you to relocate your Restaurant, you will be assessed a relocation fee for the services we provide in connection with your relocation, including reviewing and approving a new site and lease, assisting with the design and construction of the new site, assisting with suppliers for the new site, training and other onsite opening services (See Item 6). Our determination to approve or disapprove any relocation will be based on various criteria, including our approval of the proposed new site and lease (see Item 11), the terms of your existing lease, the reason for the relocation, the timing of the proposed relocation, the location of other Restaurants or businesses in your area, the impact of the relocation on the business operations of your Restaurant and the other Restaurants in your area, and other factors we deem appropriate to such decision.

Continuation of your franchise does not depend on your achieving a certain sales volume, market penetration, or other contingency. Other than your Right of First Refusal, you have no options, rights of first refusal or similar rights to acquire additional franchises.

Item 13.
TRADEMARKS

We grant you the non-exclusive right and obligation to use the Marks, and you must use the Marks as we require. You may not use any of the Marks as part of your firm or corporate name, or with any prefix, suffix, or other modifying words, terms, designs, or symbols. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind ("Online Presence"), except in accordance with our guidelines set forth in the Operations Manual or otherwise in writing. You may not use the Marks in any advertising for the transfer, sale or other disposition of your Restaurant or any interest in the franchise.

We were granted the right to use and sublicense the Marks from our parent, ECH, which owns all rights to the Marks, pursuant to a Trademark License Agreement (the "License Agreement"). The term of the License Agreement began on October 27, 2016 and will continue for 99 years unless terminated. The License Agreement may be terminated (resulting in the loss of our right to use and to sublicense the use of the Marks to you) by mutual agreement of the parties, or by ECH for a number of reasons, including if we default on any obligations, we are dissolved, make an assignment for the benefit of creditors, become insolvent, consent to appointment of a receiver, or our business is seized. All rights in and goodwill from the use of the Marks accrue to ECH. Except as described above, no agreement significantly limits our rights to use or sublicense the Marks in a manner material to the franchise.

The following table sets forth the status of applications filed with the U.S. Patent and Trademark Office ("**PTO**") on the Principal Register of the principal marks licensed to you.

Description Of Mark	Application/ Registration Number	Application/ Registration Date
GRABBAGREEN	4467862	January 14, 2014
GRABBAGREEN.COM FOOD + JUICE	4547506	June 10, 2014
HEALTHIIBAR	4556979	June 24, 2014
PINA PROTEIN	4615475	September 30, 2014
OXIDATION ELIMINATION	4652587	December 9, 2014
SPIRITULINA	4652585	December 9, 2014
FAB & FRUITY	4652584	December 9, 2014

Description Of Mark	Application/ Registration Number	Application/ Registration Date
FEELING FABULOUS	4652583	December 9, 2014
VITA VAMP	4655948	December 16, 2014
ENERGY ELEVATOR	4655943	December 16, 2014
BROCCOLI LOGO (DESIGN MARK)	4655941	December 16, 2014
POWER PAIL	4723241	April 21, 2015
GRAB YOUR OWN	4720133	April 14, 2015
MOROCCAN MAC & CHEESE	4720141	April 14, 2015
MIGHTY MAC & CHEESE	4720143	April 14, 2015
GULF OF MEXICO	4720144	April 14, 2015
RED PHOENIX SMOOTHIE	4720146	April 14, 2015
FOR THE HEALTH FREAK IN YOU	4751093	June 9, 2015
GANGNAM CITY	4759039	June 23, 2015
EAT CLEAN, GRABBAGREEN	5014180	August 2, 2016
SP BR KA BT CB GJ AP RO OG TU CT GA RP MG AD SB PS (PERIODIC TABLE DESIGN, PLUS WORDS)	87063368	June 7, 2016

All required affidavits of use will be filed in a timely manner.

We may establish new Marks in the future and you must use and display these marks in accordance with specifications and bear all costs associated with changes to Marks or introduction of new Marks.

There is presently no effective determination of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks. We know of no superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us and our and our affiliates' attorneys, regarding any infringement, challenge or claim. We and/or ECH may take the action we deem appropriate and control exclusively any litigation, PTO proceeding or other administrative proceeding from the infringement, challenge or claim or otherwise concerning any Mark. You must sign the documents and take the actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in the Marks. We will reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your use of any Marks, if you have notified us immediately of the proceeding, and complied with our directions in responding to it.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We do not have to reimburse you for your costs, loss of revenue or other expenses of promoting a modified and/or substitute trademark or service mark.

You must not contest, or assist any other person in contesting, the validity of our and ECH's ownership of the Marks. Your use of the Marks and any goodwill established by that use are exclusively for our and ECH's benefit.

Under the Franchise Agreement, we must indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, only if you have timely notified us of the claim or proceeding and comply with our directions in responding to the proceeding. At our option, we and/or ECH may defend and control the defense of any proceeding from your use of any Mark under the Franchise Agreement.

Item 14.

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates claim copyrights in the Operations Manual (which contains our trade secrets), handbooks, all Franchise System Websites, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating Restaurants. We have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Restaurant (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our and our affiliates' confidential information (some of which constitutes trade secrets under applicable law) (the "Confidential Information"). This information includes specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Restaurants, training and operations materials, methods, formats, knowledge and specifications regarding suppliers of Operating Assets and other products and supplies; marketing and advertising programs and strategies for Restaurants, any computer software or similar technology that is proprietary to us or the System, strategic plans, expansion goals, targeted demographics, and knowledge of the operating results and financial performance of Restaurants other than your Restaurant.

All ideas, concepts, techniques, or materials concerning a Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to personnel of your Restaurant and certain other people and using non-disclosure and non-competition agreements with those having access to Confidential Information in a form determined by us (our current form is attached as Exhibit C to the Franchise Agreement). We may regulate the form of agreement that you use and we will be a third party beneficiary of that agreement with independent enforcement rights.

All customer information is owned by us and you must only use customer information for the promotion of your Restaurant. You will not use or sell customer information to any third parties and you will comply with all applicable laws governing the use and protection of customer information.

Item 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an entity, you must identify one of your owners who is a natural person with at least a 25% ownership interest and voting power in you, and with authority to take legally binding actions on your behalf (the "Operating Partner"). We may require our approval of the Operating Partner. You (or your Operating Partner) are responsible for the management, direction and control of your Restaurant, subject to the terms and conditions of the Franchise Agreement. However, you may elect not to supervise your Restaurant on a full-time basis, provided that you appoint a manager who has completed our then-current Training Program to work full-time at your Restaurant (your "Designated Manager"). Your Designated Manager must supervise the management and day-to-day operations of your Restaurant and continuously exert best efforts to promote and enhance your Restaurant and the goodwill associated with the Marks. We must approve your Designated Manager. Your Restaurant must always be under the direct on-site supervision of one or more persons who have completed the Training Program.

You (or your Operating Partner) and your Designated Manager must complete all required training to our satisfaction. In the event that your Operating Partner ceases to own at least its required ownership interest in you, your Operating Partner resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Operating Partner, or we disapprove your Operating Partner, you must recruit a new Operating Partner within 30 days of the change in ownership and submit the identity of the new Operating Partner to us for our review and approval. If you appoint a new Operating Partner or Designated Manager after you open your Restaurant, the Operating Partner or Designated Manager must complete the Training Program within 30 days after the date of appointment. (See Item 11) You must keep us informed at all times of the identity of the Operating Partner and the Designated Manager.

If we determine that your Restaurant is not being managed properly, we may, but need not, assume your Restaurant's management (or appoint a third party to assume its management). All funds from your Restaurant's operation while it is under our (or the third party's) management will be kept in a separate account by us, and all expenses will be charged to this account. If we (or a third party) assume your Restaurant's management, we may charge you (in addition to the Royalty, Marketing Fund Contribution, and other amounts due to us or our affiliates) $750 per day, plus our (or the third party's) direct out-of-pocket costs and expenses. During the term of the Franchise Agreement, we may adjust the amount of this daily fee periodically by an amount that is commensurate with inflation. We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Restaurant incurs, or to any of your creditors for any products, other assets, or services your Restaurant purchases, while we (or a third party) manage it.

If you are a corporation, limited liability company, or partnership, your direct and indirect owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is attached as Exhibit D to the Franchise Agreement. In addition, if these owners are married, their spouse may have to consent in writing to signing of the guaranty.

We may require that any employee, agent or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We may regulate the form of non-disclosure and non-competition agreement that you use and to be a third party beneficiary of those agreements with independent enforcement rights.

Item 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all services and products that we periodically specify for Restaurants. You must offer and sell approved products and services only at the Premises and in the manner we have authorized. Our System Standards may regulate required and/or authorized products and services. We may also periodically set maximum or minimum prices for services and products that your Restaurant offers. You will use certain products that we designate in connection with providing services to customers. We may periodically change the required and/or authorized products and services, and there are no limits on our right to do so. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing. You may not perform any services or offer or sell any products at the Restaurant, the Premises or any other location that we have not authorized. (See Item 8) You may not sell any products or services through alternative channels of distribution (including the internet). (See Item 12) You must discontinue selling and offering for sale any services or products that we at any time decide to disapprove in writing.

We may, at any time, require you offer and provide delivery, catering and/or other off-site services. If we require you to offer and provide delivery, catering and/or other off-site services, you must bring your Restaurant into compliance with our System Standards for such services within 60 days from the date you receive our notice of the requirement, including by purchasing or leasing any necessary motor vehicles. We may limit the geographic area in which you may offer delivery, catering and/or any other off-site services, and we may modify that geographic area periodically. If we specify a geographic area in which you may offer and provide delivery, catering and/or other off-site services, you must not to offer or provide such services outside of that area.

If at any time (including after our initial approval) we determine that you fail to meet our specifications and standards in connection with your Restaurant's offering and sale of products or services, we may permanently or temporarily terminate your right to offer these products or services.

Item 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(a) Length of the franchise term	Section 1C	10 years.
(b) Renewal or extension of the term	Section 13A	1 successor term of 10 years, if you meet certain requirements.
(c) Requirements for franchisee to renew or extend	Section 13	You must give notice no more than 1 year and no less than 180 days before the Franchise Agreement expires, and (i) you have substantially complied with the Franchise Agreement throughout the Franchise term, (ii) you are in full compliance with the Franchise Agreement and System Standards, (iii) you maintain possession of and agree to remodel your Restaurant, or otherwise bring it into compliance with our then-current System Standards, or you secure and develop new premises, (iv) you sign then-current Franchise Agreement, which may materially differ from your current Franchise Agreement, (v) you sign (if state law allows) general releases and other ancillary agreements, and (vi) you pay successor franchise fee.
(d) Termination by franchisee	Section 14A	You may terminate the Franchise Agreement if we materially breach the Franchise Agreement and do not cure the default after notice from you.
(e) Termination by franchisor without cause	None	We may not terminate the Franchise Agreement without cause.
(f) Termination by franchisor with cause	Section 14B	We may terminate the Franchise Agreement only if you or your owners commit one of several violations.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(g) "Cause" defined — curable defaults	Section 14B	You have 72 hours to cure health, safety or sanitation law violations; 10 days to cure any insurance requirements, violations of other applicable laws, regulations, ordinances or consent decrees, monetary defaults; and 30 days to cure a failure to pay rent, failure to comply with the Franchise Agreement or any System Standard not specified in (h) below.
(h) "Cause" defined — non-curable defaults	Section 14B	Non-curable defaults under the Franchise Agreement include: material misrepresentations or omissions; failure to secure our approval of Lease or deliver executed Lease and Lease Rider; failure to meet opening conditions and open your Restaurant by the applicable deadline; failure to open any applicable Concurrent Multi-Unit Franchise by its deadline; failure to complete training; abandonment; unapproved transfers; conviction of a felony; dishonest or unethical conduct; loss of right to occupy the Premises; unauthorized use or disclosure of confidential information; failure to pay taxes; unsafe or hazardous conditions; repeated defaults (even if cured); below average or unsatisfactory grade on multiple mystery shopper examinations; an assignment for the benefit of creditors; and failure to comply with anti-terrorism laws.
(i) Franchisee's obligations on termination/non-renewal	Sections 15A through 15E	You must pay all amounts due within 15 days; pay us lost revenue damages if we terminate you, or you terminate without cause; complete de-identification, including removal of signs and Marks; cease using the Marks and Franchise System; cancel all fictitious or assumed name registrations relating to the Mark; notify telephone company of termination of rights to use telephone number and transfer number to our designee; cease operation and cancel any rights or accounts of any Online Presence or transfer such Online Presences to us; comply with confidentiality requirements; return all copies of the Operations Manual and software and other proprietary materials; and at our option, sell or assign to us your rights in the Premises and the assets used in the business.
(j) Assignment of contract by franchisor	Section 12A	There is no restriction on our right to assign.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(k) "Transfer" by franchisee — defined	Section 12B	A transfer includes a voluntary or involuntary, direct or indirect, assignment, sale, gift, or other disposition of any interest in you, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.
(l) Franchisor approval of transfer by franchisee	Sections 12B	You may not transfer, or attempt to transfer, the Franchise Agreement, your Restaurant, substantially all the assets of your Restaurant, or any direct or indirect ownership interest in you, without our prior written approval.
(m) Conditions for franchisor approval of transfer	Section 12C	(i) You submit all information we request about transferee, and transferee meets our criteria; (ii) you provide copies of all documents between you and transferee; (iii) you and your owners, and transferee and its owners, sign the transfer documents we require, including a general release; (iv) you have paid all amounts due in connection with your Restaurant; (v) you and your owners are in compliance with all agreements for your Restaurant; (vi) required transferee parties complete the Training Program; (vii) any required action under the Lease has been taken; (viii) transferee and its owners sign our then-current franchise documents; (ix) you pay us a transfer fee, unless you are transferring a non-controlling interest in you, in which case you must only reimburse our direct costs; (x) we determine the purchase will not adversely affect your existing Restaurants; (xi) any obligation of the transferee to you is subordinate to our interests; (xii) you cure any existing Restaurant deficiencies and upgrade or remodel your Restaurant as we specify; and (xiii) you provide all other evidence we require of the transfer.
(n) Franchisor's right of first refusal to acquire franchisee's business	Section 12E	We have a 30-day right of first refusal and can match offers.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(o) Franchisor's option to purchase franchisee's business	Section 15D	We may purchase your Restaurant at fair market value upon the termination or expiration of the Franchise Agreement, at our discretion. We may exercise this right by giving you written notice of our election within 30 days after the termination or expiration.
(p) Death or disability of franchisee	Section 12F	Upon death or disability of you (or your Operating Partner) or a Controlling Owner, your (or your Operating Partner's) or the Controlling Owner's executor or personal representative must transfer the ownership interest within 9 months of date of death or disability. We may assume your Restaurant's management or appoint an interim manager to operate your Restaurant.
(q) Non-competition covenants during the term of the franchise	Section 7	No ownership interest in or performing services for a Competitive Business located anywhere; no solicitation or interference with our or our affiliates or franchisees relationships with any Restaurant customers, vendors or clients; no employment of a person employed by us, our affiliates or any of our other franchisees; and no engagement in any other activity injuring the goodwill of the Marks and the System. "Competitive Business" is defined as a quick-service restaurant or similar food service business (other than a Restaurant) that: (i) offers made-to-order meals in a format that allows customers to choose among various ingredients to create individual meal options (including, bowls, salads, wraps, juices, and smoothies), (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice business; and/or (iii) any other business (including retail businesses) materially engaged in offering healthy food, juice and/or smoothies.
(r) Non-competition covenants after the franchise is terminated or expires	Sections 15E and 15F	You and your owners may not have any direct or indirect interest in a Competitive Business located or operating at the Premises or within a 10-mile radius of the Premises for 2 years. Additionally, for 2 years you and your owners may not solicit or interfere with our or our affiliates or franchisees relationships with any Restaurant customers, vendors or consultants; not employ a person employed by us, our affiliates or any other franchisee of ours; and not engage in any other activity injuring the goodwill of the Marks and the System.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
(s) Modification of the agreement	Section 17J	No modification unless by written agreement of both parties, but Operations Manual and System Standards subject to change.
(t) Integration/merger clause	Section 17L	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 17E	All controversies, disputes or claims between us must be submitted for binding arbitration to the American Arbitration Association on demand of either party.
(v) Choice of forum	Section 17E	All disputes must begin in the state or federal court of general jurisdiction closest to our then-current principal place of business (currently in Scottsdale, Arizona), but we and you may enforce any orders and awards in the courts of the state(s) in which you are domiciled or your Restaurant is located (subject to state law).
(w) Choice of law	Section 17.F	Except for the Federal Arbitration Act and other federal law, the law of the State of Arizona governs (subject to state law).

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit H.

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 franchise 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 provide 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.

Written substantiation of the information provided below will be made available to you on reasonable request.

As December 31, 2016, 8 franchised Restaurants and 4 Company Restaurants were open and operating. Of those open Restaurants, no franchised Restaurants and 3 Company Restaurants had been open and operating for at least 12 consecutive calendar months as of December 31, 2016 ("Mature Restaurants"). During the 2016 fiscal year, the Mature Restaurants achieved: (i) an average annual Gross Sales of $761,286.06 (with 1 Mature Restaurant achieving higher annual Gross Sales, and 2 Mature Restaurants achieving lower annual Gross Sales), and (ii) a median annual Gross Sales of $738,192.06. ~~For the purposes of this Item 19,~~"Gross Sales~~is calculated in the same manner as described in Item 6.~~," as previously defined in Item 6, means all revenue that you receive, directly or indirectly, from operating your Restaurant, including all amounts or other consideration you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions. Gross Sales will also include amounts you earn from the sale of any online group-bought deals and the sale of any gift cards or gift certificates. Gross Sales does not include any federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority, or gratuities.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Please note that as of December 31, 2016, no franchised Restaurants qualified as Mature Restaurants; therefore, we have not reported any Gross Sales associated with any franchised units. The Gross Sales of a franchised unit may differ materially from a Company Restaurant. Additionally, the financial performance figures contained in this Item 19 do not reflect the costs of sales, operating expenses, royalty fees or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting ~~Kim Cramton~~Keely Newman, Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260, (480) 747-0597; the Federal Trade Commission; and the appropriate state regulatory agencies.

Item 20.

RESTAURANTS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE RESTAURANT SUMMARY
FOR YEARS 2014 TO 2016[1]

Outlet Type	Year	Restaurants at the Start of the Year	Restaurants at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	0	0
	2016	0	8	+8
Company Owned or Managed[2]	2014	2	3	+1
	2015	3	3	0
	2016	3	4	+1
Total	**2014**	**2**	**3**	**+1**
	2015	**3**	**3**	**0**
	2016	**3**	**12**	**+9**

1. The numbers in this table are as of December 31, 2014; December 31, 2015 and December 31, 2016.

2. All Company Restaurants are owned and operated by our affiliates. We have never owned or operated any Restaurants.

TABLE NO. 2
TRANSFERS OF RESTAURANTS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2014 TO 2016[1]

State	Year	Number of Transfers
California	2014	0
	2015	0
	2016	1
Florida	2014	0
	2015	0
	2016	1
Totals [2]	**2014**	**0**
	2015	**0**
	2016	**2**

1. The numbers in this table are as of December 31, 2014; December 31, 2015 and December 31, 2016.

2. Each transfer occurring in 2016 was the transfer by an individual franchisee to a newly formed business entity owned by such individual franchisee.

TABLE NO. 3
STATUS OF FRANCHISED RESTAURANTS
FOR YEARS 2014 TO 2016[1]

State	Year	Restaurants at Start of Year	Restaurants Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Restaurants at End of Year
Colorado	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Tennessee	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
North Carolina	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
New Jersey	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Idaho	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Texas	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
Totals	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2016	**0**	**8**	**0**	**0**	**0**	**0**	**8**

1. The numbers in this table are as of December 31, 2014; December 31, 2015; and December 31, 2016.

TABLE NO. 4
STATUS OF COMPANY-OWNED RESTAURANTS
FOR YEARS 2014 TO 2016[1, 2]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2014	2	1	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	1	0	0	0	4
Totals	2014	**2**	**1**	**0**	**0**	**0**	**3**
	2015	**3**	**0**	**0**	**0**	**0**	**3**
	2016	**3**	**1**	**0**	**0**	**0**	**4**

1. The numbers in this table are as of December 31, 2014; December 31, 2015; and December 31, 2016.

2. All Company Restaurants are owned and operated by our affiliates. We have never owned or operated any Restaurants.

TABLE NO. 5
AS OF DECEMBER 31, 2016, PROJECTED OPENINGS FOR 2017

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Restaurants In The Next Fiscal Year[1]	Projected New Company-Owned Openings
Arizona	5	2	0
California	6	5	0
Colorado	6	2	0
Florida	3	1	0
Georgia	3	1	0
Idaho	1	1	0
Maryland	0	1	0
Minnesota	3	2	0
North Carolina	6	2	0
Pennsylvania	2	1	0
Tennessee	5	1	0
Texas	26	3	0
Totals	**66**	**22**	**0**

1. We grant Concurrent Multi-Unit Franchises with staggered opening dates to certain

qualified franchisees. Therefore, as described in greater detail in Item 11, not all the franchises that have been sold are projected to open in our next fiscal year.

Exhibit D to this Disclosure Document contains: (i) a list of the names, addresses and telephone numbers of our franchisees as of December 31, 2016, and (ii) a list of franchisees who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system. ~~We are not aware of any trademark-specific franchisee organization associated with the System.~~

As described in Item 11, we have created and endorse the Advisory Council for the System. The Advisory Council is not currently incorporated or otherwise organized under the laws of any state. For more information about the Advisory Council, you may contact: George BB Huggins, Conehead Investments, Inc., 615 Mission Avenue, Oceanside, California 92054, telephone number (760) 721-0495 (ext. 101).

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the "grabbagreen" franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Item 21.

FINANCIAL STATEMENTS

Exhibit E contains (i) our unaudited balance sheet as of ~~March~~August 31, 2017, and our unaudited statement of cash flow and profit and loss statement for the period beginning January 1, 2017 and ending ~~March~~August 31, 2017, and (ii) our audited balance sheet as of December 31, 2015 and December 31, 2016, and audited statements of operations, changes in stockholders' equity, and cash flows for the fiscal year ended December 31, 2015 and December 31, 2016. We have only been operating since February 2015, and therefore cannot provide all financial statements required by the FTC Rule. Our fiscal year end is December 31 of each calendar year.

Item 22.

CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

Exhibit B –Franchise Agreement
Exhibit F –Representations and Acknowledgment Statement
Exhibit G –Sample General Release
Exhibit H –State Addenda and Agreement Riders to Franchise Agreement

Item 23.

RECEIPTS

Exhibit I contains detachable documents acknowledging your receipt of this Disclosure Document.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

CALIFORNIA

Department of Business Oversight:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559

GEORGIA

Georgia Secretary of State
Corporations Division
2 Martin Luther King, Jr. Drive
Suite 315
Atlanta, Georgia 30334
(404) 651-8600

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the
Department of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 296-6328

NEW YORK

(state administrator)

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
120 Broadway, 23rd Floor
New York, New York 10271-0332
(212) 416-8236 – Phone
(212) 416-6042 - Fax

(agent for service of process)

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

NORTH DAKOTA

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

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

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

VIRGINIA

(state administrator)

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

(agent for service of process)

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)
Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

EXHIBIT B

FRANCHISE AGREEMENT

GRABBAGREEN FRANCHISING, LLC

FRANCHISE AGREEMENT

____

FRANCHISE OWNER

____

____

____

RESTAURANT ADDRESS

TABLE OF CONTENTS

Page

EXHIBITS

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into by and between **GRABBAGREEN FRANCHISING, LLC,** an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("**we,**" "**us,**" or "**our**"), and_________________________, a(n) _____________ whose principal business address is ______________________________ ("**you**" or "**your**") as of the date signed by us and set forth opposite our signature on this Agreement (the "**Effective Date**").

1. GRANT OF FRANCHISE.

1A. PREAMBLES.

(1) We and our affiliates have, with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity to establish, operate and promote a distinctive quick service restaurant concept offering healthy food, juice, smoothies and related products under the name "grabbagreen" ("**Restaurants**").

(2) We and our affiliates use and promote, and license others to use and promote, certain trademarks, service marks, and other commercial symbols in operating Restaurants, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols to identify the Restaurants (collectively, the "**Marks**").

(3) Restaurants will offer the services and goods we authorize, and use our distinctive business formats, business system, methods, procedures, signs, designs, layouts, standards, specifications, and the Marks, all of which we may improve, further develop, or otherwise modify from time to time (collectively, the "**Franchise System**").

(4) We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort to own and operate Restaurants, and you have applied and been approved for a franchise to own and operate a Restaurant.

1B. ACKNOWLEDGMENTS.

You acknowledge that:

(1) you have independently investigated this franchise opportunity and recognize that, like any other business, the nature of the business that a Restaurant conducts may (and probably will) evolve and change over time;

(2) we do not guarantee the success of a Restaurant, an investment in a Restaurant involves business risks that could result in the loss of a significant portion or all of your investment;

(3) among other things, your business abilities and efforts are vital to your Restaurant (as defined in Section 1C);

(4) attracting customers for your Restaurant will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising and networking, online and social media marketing, and display and use of promotional materials;

(5) retaining customers for your Restaurant will require you to have high standards of quality and service;

(6) you have not received from us, and are not relying on, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Restaurant;

(7) our officers, directors, employees, and agents act only as representatives of us, and not as individuals, and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us;

(8) to induce our entry into this Agreement, you have represented to us that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise;

(9) you have read this Agreement and our franchise disclosure document and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service and to protect and preserve the goodwill of the Marks;

(10) we have the right to restrict your sources of goods and services, as provided in various sections of this Agreement, including Section 8D and 8E below;

(11) we have not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and our franchise disclosure document;

(12) you have independently evaluated this opportunity, including by using your business professionals and advisors, and have relied solely on those evaluations in deciding to enter into this Agreement;

(13) you had the opportunity, and were encouraged by us, to ask any questions you had and to review any materials of interest to you concerning this franchise opportunity;

(14) you had the opportunity, and were encouraged by us, to have this Agreement and all other agreements and materials we gave you or made available to you reviewed by an attorney; and

(15) you have a sufficient net worth to make the investment in this franchise opportunity, and you will continue to have sufficient funds to meet all of your obligations under this Agreement.

1C. GRANT AND TERM OF FRANCHISE.

Subject to this Agreement's terms, we grant you a franchise to use the Franchise System and the Marks to operate a Restaurant ("**your Restaurant**") at the specific address and location identified on **Exhibit B** (the "**Premises**"). If the Premises has not been determined as of the Effective Date, the Premises will be selected in accordance with Section 2A, provided that the Premises is located within the geographical area set forth on **Exhibit B**.

The term of this Agreement begins on the Effective Date and expires ten (10) years from that date, unless sooner terminated as provided herein.

You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote your Restaurant. You may use the Premises only for your Restaurant. You agree not to conduct the business of your Restaurant at any site other than the Premises.

1D. CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.

If you are a corporation, limited liability company, or general or limited partnership (collectively, an "**Entity**"), you agree and represent that:

(1) You are validly existing and in good standing under the laws of the state in which you were formed, and have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements;

(2) Your organizational documents state that this Agreement restricts the issuance and transfer of any of your ownership interests, and all certificates and other documents representing your ownership interests will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Any person owning an interest in you at any time during this Agreement's term will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is attached hereto as **Exhibit E**. Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised **Exhibit A** to reflect any changes in your ownership information;

(5) You must identify one of your owners on **Exhibit A** who is a natural person with at least a twenty-five percent (25%) ownership interest and voting power in you, with the authority to take legally binding actions on your behalf, to act as your "**Operating Partner**". We reserve the right to approve the Operating Partner. In the event that your Operating Partner ceases to own at least a twenty-five percent (25%)

ownership interest and voting interest in you, your Operating Partner resigns or otherwise indicates to us or to you that he or she wishes to cease acting as Operating Partner, or we disapprove of your Operating Partner, you must recruit a new Operating Partner within thirty (30) days of the change in ownership or disapproval and deliver to us a revised **Exhibit A** to accurately identify the Operating Partner for our review and approval;

(6) You agree that the Operating Partner is authorized to deal with us on your behalf for all matters whatsoever that may arise with respect to this Agreement. Any decision made by the Operating Partner will be final and binding on you and we will be entitled to rely solely on the decision of the Operating Partner without discussing the matter with any other party. We will not be held liable for any actions based on any decision or actions of the Operating Partner; and

(7) If you are a legal entity, your Restaurant will be the only business that such entity operates, unless we approve you to acquire and operate additional Restaurants pursuant to additional Franchise Agreements between us and you.

1E. YOUR RIGHT OF FIRST REFUSAL.

Exhibit B will identify a geographical area that will act as your "**Protected Territory**" under this Agreement. You will operate your Restaurant only at a site we approve within the Protected Territory. If we at any time determine that your Protected Territory can support another Restaurant, and we identify a prospective franchisee that wishes to develop a Restaurant within your Protected Territory, we will first send you a notice of the proposed development ("**ROFR Notice**"). Provided that you meet all of the terms and conditions specified in this Section 1E, upon receiving our notice, you will have a right of first refusal to develop the additional Restaurant in your Protected Territory (your "**Right of First Refusal**"), provided that:

(1) you notify us that you intend to exercise your Right of First Refusal within ten (10) business days after you receive our ROFR Notice;

(2) you meet all of our then-current criteria for new franchisees, including by having the financial resources to develop and operate such Restaurant;

(3) you have paid all amounts owed to us under this Agreement, and all other amounts owed to us, our affiliates, and/or any third-party vendors;

(4) you have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you received our ROFR Notice, and the period of time between when you notify us of your intention to exercise your Right of First Refusal and the time you enter into a franchise agreement under which you undertake the obligation to develop such Restaurant;

(5) you sign our then-current form of franchise agreement to develop the proposed Restaurant, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, and any other documents we may require at that time for new franchisees, including personal guarantees by your owners;

(6) you pay us our then-applicable initial franchise fee for new franchisees, in the same amount that would have been paid by the prospective franchisee we notify you of in the ROFR Notice, notwithstanding any eligibility you may have to pay a lower franchise fee;

(7) you (and your owners) sign such other documents we reasonably require in connection the your exercise of your Right of First Refusal, including a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, and agents; and

(8) we have determined that the cost of developing the proposed Restaurant and payment terms under the franchise agreement for that Restaurant will not adversely affect the operation of your Restaurant under this Agreement.

If you elect not to exercise your Right of First Refusal, or you do not meet the conditions we specify to exercise your Right of First Refusal, we may grant the prospective franchisee we have identified the right to develop a Restaurant in your Protected Territory. You acknowledge and agree that we may continue to solicit franchisees for Restaurants in your Protected Territory, including within the term of this Agreement, and there is no limitation on our right to do so.

We may modify or remove your Protected Territory, and terminate your Right of First Refusal, if you are in default of this Agreement or any other agreement with us and our affiliates. Additionally, if a Restaurant is ever developed and opened in your Protected Territory by a third-party franchisee after you have elected not to exercise your Right of First Refusal, or failed to meet the conditions we specify to exercise your Right of First Refusal, your Protected Territory and Right of First Refusal will immediately terminate, and you will have no further territorial protections or rights of first refusal in any location at any time.

You may not assign your Right of First Refusal to a third party without our prior written approval. However, we will not unreasonably withhold our approval for an assignment of your Right of First Refusal to one of your affiliates who meets our then-current criteria for new franchisees of Restaurants. Nothing in this Agreement restricts our or our affiliates' right to open a Restaurant in any location, including within the Protected Territory, and you have no right of first refusal as it relates to Restaurants developed by us or our affiliates.

1F. TERRITORIAL RIGHTS WE RESERVE.

You acknowledge and agree that the franchise granted under this Agreement is non-exclusive. Other than your Right of First Refusal, you have no territorial protection and we (and our affiliates) retain all rights with respect to the placement of Restaurants and other businesses using the Marks, the sale of similar or dissimilar products and services, and any other activities. These rights include:

(1) the right to establish and operate, and allow others to establish and operate, other Restaurants and other businesses using the Marks or the Franchise System, at any location, subject to your Right of First Refusal in your Protected Territory, and on any terms and conditions we approve;

(2) the right to establish and operate, and allow others to establish and operate, additional concepts or businesses providing products or services similar to those provided at Restaurants anywhere, including within your Protected Territory, under any trade names, trademarks, service marks and commercial symbols other than the Marks;

(3) the right to establish, and allow others to establish, other distribution channels (including, the internet or retail stores) wherever located or operating, including within your Protected Territory, regardless of the nature or location of the customers, and regardless of the trade names, trademarks, service marks or commercial symbols used by such business, which may include the Marks and/or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Restaurants, and which may sell products and/or services that are identical or similar to, and/or competitive with, those that Restaurants customarily sell under any terms and conditions we approve;

(4) offer and sell (and grant others to offer and sell) goods and services to customers located anywhere, including in your Protected Territory;

(5) the right to acquire, or be acquired by (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) a business providing products and services similar to those provided at Restaurants, even if such business operates, franchises and/or licenses Competitive Businesses (as defined in Section 7A); and

(6) engage in all other activities not expressly prohibited by this Agreement.

2. DEVELOPMENT AND OPENING OF THE RESTAURANT

2A. SITE SELECTION.

We must approve the Premises. If the location for the Premises is not specified on **Exhibit B** as of the Effective Date, then you will submit to us a complete report for a site you propose for your Restaurant. Unless you have our prior written approval to search for a proposed site outside of your Protected Territory, all site reports that you submit to us must be for a site within your Protected Territory. Your report must contain the documents and information we require, including a description of the proposed site, and a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. We may also require that you hire a service provider that we designate, which may be one of our affiliates, to assist you with the site selection process.

We have the right to accept or not accept all proposed sites, including sites selected using the services of any of our designees, in our sole discretion. We will use reasonable efforts to accept or not accept the proposed site within thirty (30) days after receiving your report. After we approve a site, and after you secure the site, we will insert its address on the cover page of this Agreement and into **Exhibit B** and it will be the Premises.

You acknowledge and agree that your acceptance of a site is based on your own independent investigation of the site's suitability for a Restaurant. Neither the information we give you regarding a site for the Premises (including any recommendations) nor the assistance we or our representatives provide you in selecting the site, constitutes a representation or warranty of any kind, express or implied, of the site's suitability for a Restaurant or any other purpose. Our recommendations and assistance indicate only that we believe that the site and location meet our then-acceptable criteria. Applying criteria that have appeared effective with other sites and locations might not accurately reflect the potential for all sites and locations, and factors included in or excluded from our criteria could change, altering the potential of a site or location. The uncertainty and variability of these criteria are beyond our control, and we are not responsible if a site and location we recommend fails to meet your expectations.

2B. LEASE OF SITE.

You must obtain our written approval of your Restaurant's proposed site before signing any lease, sublease, or other document for the Premises (the "**Lease**"). We also must approve the terms of the Lease before you sign it. The Lease must contain certain provisions we require, including collateral assignment of lease, pursuant to the form of lease rider attached as **Exhibit F** ("**Lease Rider**"). It is your sole responsibility to obtain a fully-executed Lease Rider in connection with executing your Lease. Our approval of your Lease is subject to our receipt of the Lease Rider in the form attached as **Exhibit F**, without modification or negotiation, executed by you and the landlord. The Lease Rider is intended to provide us certain protections under your Lease, and may not benefit you or the landlord. If you or the landlord request that we consider any modifications to the Lease Rider, and we elect to do so, we may also require you to reimburse us all expenses that we incur (including attorneys' fees) in connection with such review. We may also reject any request for modifications to the Lease Rider for any reason.

Neither our approval of the Lease nor our assistance in negotiating its terms (including negotiations conducted on your behalf), constitute a guarantee or warranty, express or implied, of the success or profitability of a Restaurant operated at the Premises. Our approval and assistance indicate only that we believe that the Lease's terms meet our then-acceptable criteria. You must obtain our written approval of your Restaurant's proposed site for the Premises and sign the Lease within one hundred eighty (180) days of the Effective Date. You must deliver to us a signed copy of the Lease within ten (10) days after its execution.

You may not relocate your Restaurant to a location other than the Premises without our approval. If we allow you to relocate your Restaurant, the relocation will be subject to the site selection and lease provisions set forth above and will occur at your sole expense. In addition, you will be assessed a relocation fee of Ten Thousand Dollars ($10,000) for the services we provide in connection with your relocation, including reviewing and approving a new site and Lease and assisting with the design and construction of the new site. Notwithstanding the foregoing, if the relocation of the Restaurant is due to fire, casualty, or other circumstances outside of your control, we will waive the relocation fee.

2C. DEVELOPMENT AND CONSTRUCTION OF YOUR RESTAURANT.

You are responsible for developing the Premises. If you need to secure financing to complete your development obligations, you agree to do so independently and at your own expense. We will give you (or if we have designated an approved supplier to develop design specifications for your Restaurant, we will give that designated supplier) mandatory and suggested specifications for the Premises, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. You agree to develop, construct and decorate the Premises at your own expense according to plans and specifications approved by us and in accordance with the requirements of the Lease. The specifications and plans we provide you for the Premises do not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "**ADA**") or similar rules governing public accommodations for persons with disabilities. It is your responsibility to confirm all required construction plans and specifications comply with the ADA and all other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

You agree to retain, at your expense, an architect to produce development plans for the Premises. You also agree to obtain a minimum of three (3) construction bids from contractors before you begin construction on the Premises. We reserve the right to require you to use one of our approved architects and/or contractors. We may also require that you hire a service provider that we designate, which may be one of our affiliates, to assist you with the construction management process. You must send us your development and construction plans and specifications for review and approval before you begin construction. You must send us any revisions of plans or specifications before such revisions are implemented. Our review is limited to ensuring your compliance with our design requirements and does not assess compliance with federal, state, or local laws and regulations, including the ADA. Ensuring that the Premises complies with these laws is your responsibility.

2D. OPERATING ASSETS.

Before you open your Restaurant, you agree to obtain and install the fixtures, furniture, equipment, components of the Computer System (as defined in Section 2E), furnishings, and signs that we approve for Restaurants as meeting our specifications and standards for quality, design, appearance, function, and performance (collectively, "**Operating Assets**"). You agree to purchase or lease the brands, types, and models of Operating Assets that we designate or approve. You agree to purchase or lease the Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

2E. COMPUTER SYSTEM.

You agree to obtain and use the computer hardware, sales and scheduling software, point-of-sale system and/or other operating software we specify from time to time (the "**Computer System**"). We may modify specifications for and components of the Computer System from time to time and you agree to implement our modifications within ninety (90) days after you receive notice from us. We might periodically require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the

Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (and any additions and modifications) and required service or support.

You must obtain and install the Computer System, and ensure that the Computer System is functioning properly, before your Restaurant opens.

You must pay for any proprietary software or technology that we, our affiliates or third-party designees license to you and for other maintenance and support services that we, our affiliates or third-party designees provide during this Agreement's term. We or our affiliates may condition your license of any proprietary software, or your use of technology that we or our affiliates develop or maintain, on your signing a license agreement or similar document that we or our affiliates approve to regulate your use of, and our and your respective rights and responsibilities with respect to, such software or technology.

The Computer System may give us and our affiliates access to all information generated by the Computer System, including price maintenance and information relating to customers for your Restaurant. At our request, you agree to sign a release with any vendor of your Computer System providing us with unlimited access to your data.

Despite the fact that you agree to buy, license, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for acquiring, operating, maintaining and upgrading: (1) the Computer System; (2) the connectivity of your Computer System (including the point-of-sale system); and (3) third-party interfaces between the Computer System and our and any third party's computer system. You will have sole and complete responsibility for any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

2F. RESTAURANT OPENING.

You may not open your Restaurant until you satisfy all pre-opening obligations under this Agreement, and all of our other pre-opening System Standards, including that:

(1) we notify you in writing that your Restaurant meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that your Restaurant complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, laws, ordinances, rules, regulations, requirements, or recommendations, nor is our acceptance a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(2) you (or your Operating Partner), and any manager or assistant manager we require, satisfactorily complete the Training Program (defined in Section 4A);

(3) you pay the Initial Franchise Fee and all other amounts then due to us;

(4) you give us certificates for all required insurance policies (as described in Section 8J);

(5) you obtain all required supplies and opening inventory for your Restaurant;

(6) you obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services;

(7) you meet all regulatory requirements, including all state and local professional regulations.

Subject to your compliance with these conditions, you agree to open your Restaurant for full use by customers by the first anniversary of the Effective Date. Notwithstanding the foregoing, if you have executed this Agreement in connection with the concurrent execution of multiple franchise agreements for Restaurants ("**Concurrent Multi-Unit Franchises**") we may, in our sole discretion, permit you to open your Restaurant in accordance with a schedule designated on **Exhibit C**. If we have designated a schedule on **Exhibit C** for Concurrent Multi-Unit Franchises, subject to your compliance with all conditions specified above, you agree to open your Restaurant in accordance with the schedule specified on **Exhibit C**. If we have not designated a schedule on **Exhibit C**, regardless of any Concurrent Multi-Unit Franchises, you must open your Restaurant for full use by customers by the first anniversary of the Effective Date. Should you fail to comply with this Section to open your Restaurant by its applicable deadline we may terminate this Agreement. The date that your Restaurant first opens for business for full use by customers shall be referred to herein as the "**Opening Date**."

Beginning on the Opening Date, for the duration of the entire term of this Agreement, you agree to operate your Restaurant on a continuous basis in accordance with the terms of this Agreement and our System Standards, which may include minimum business hours and/or days of operation for your Restaurant. You may not abandon the Restaurant, close the Restaurant for business, or operate the Restaurant for less than the minimum business hours and/or days of operation that we specify from time to time, except with our prior written consent.

3. FEES.

3A. INITIAL FRANCHISE FEE.

You agree to pay us a nonrecurring initial franchise fee when you sign this Agreement (the "**Initial Franchise Fee**"). If you are signing this Agreement to develop your first Restaurant, the amount of your Initial Franchise Fee will be Thirty Thousand Dollars ($30,000). If you are signing this Agreement to develop your second or subsequent Restaurant, the amount of your Initial Franchise Fee will be Twenty Thousand Dollars ($20,000).

The Initial Franchise Fee is due and fully earned by us when you sign this Agreement. If you (or your Operating Partner) or your Designated Manager (as defined in Section 8H) are unable to satisfactorily complete the Training Program we may terminate this Agreement and, if you and your owners agree to execute general releases in a form satisfactory to us, we will refund half of the Initial Franchise Fee to you. Otherwise the Initial Franchise Fee is not refundable under any circumstances. You must pay us the Initial Franchise Fee by wire transfer of immediately available funds to an account we designate, or by any other method we specify.

3B. ROYALTY FEE.

You agree to pay us a weekly royalty fee (the "**Royalty**") equal to six percent (6%) of your Restaurant's Gross Sales during the preceding week.

For purposes of this Agreement, "**Gross Sales**" means all revenue or consideration that you receive, directly or indirectly, from operating your Restaurant, including, all revenue or consideration you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions. Gross Sales includes the proceeds of any business interruption insurance or similar insurance. If we authorize or require participation in online group-bought deals (e.g. Groupon or Living Social), gift certificate and/or gift card programs, the payments you receive for those online group-bought deals, gift certificates or gift cards shall be included in Gross Sales in accordance with our then current guidelines for calculating Gross Sales, which may include calculating such amounts, at our option, as either (i) the purchasing value of such the certificate, card or deal when it is redeemed at your Restaurant, or (ii) the amount of the payment you received for such certificate, card or deal at the time of its sale. Gross Sales does not include any federal, state, or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

3C. TECHNOLOGY FEE.

We may require you to pay a fee to us, or a service-provider we designate (which may be one of our affiliates) for technology related services, including website or email hosting, help desk support, software or website development, enterprise solutions and other services associated with your Computer System and/or any Franchise System Website (as defined in Section 9G) (your "**Technology Fee**"). We may modify the amount of your Technology Fee periodically, in our discretion. You must pay the Technology Fee at the times, and in the manner, designated by the provider of such services. We may require you to enter into a written agreement with the provider of any technology services, with terms and conditions we approve. If we travel to your Restaurant to provide any technological support and/or installation services, you must also reimburse us for the costs we incur for such site visit, including travel, food and lodging.

3D. INTEREST ON LATE PAYMENTS.

All amounts that you owe us for any reason will bear interest accruing as of their original due date at one and one half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for service charges and interest. You acknowledge that this Section 3D is not our agreement to accept any payments after they are due or our commitment to extend credit to you, or finance the operation of your Restaurant.

3E. APPLICATION OF PAYMENTS.

Despite any designation you make, we may apply any of your payments to us or our affiliates to any of your past due indebtedness to us or our affiliates. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3F. METHOD OF PAYMENT.

You must make all payments due under this Agreement in the manner we designate from time to time and you agree to comply with all of our payment instructions. You hereby authorize us and/or any third party we designate to debit your business checking account automatically for any or all amounts due under this Agreement (the "**EFT Authorization**"). You agree to execute and deliver to us any document(s) we require to evidence the EFT Authorization. The EFT Authorization will remain in full force and effect during the term of this Agreement. We or our designee will debit the business account you designate in the EFT Authorization for amounts you owe us on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds are available in your designated account to cover our withdrawals. You shall pay us a fee of One Hundred Dollars ($100) each time we attempt to debit your business account and we receive a notice of insufficient funds.

We may receive information regarding your Gross Sales through our access to the Computer System or we may require you to submit weekly Gross Sales reports in the format we require. If we ever stop having access to information from your Computer Systems, and you fail to report your Restaurant's Gross Sales when due, then for each payment due under this Agreement that is calculated based on Gross Sales, we may debit your business account one hundred ten percent (110%) of the average of the last three (3) applicable payments that we debited. If the amounts that we debit from your business account are less than the amounts you actually owe us (once we have determined your Restaurant's true and correct Gross Sales), we will debit your business account for the balance on any day we specify. If the amounts that we debit from your business account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your business account on the next payment due date.

4. <u>TRAINING AND ASSISTANCE.</u>

4A. INITIAL AND ONGOING TRAINING.

At least 60 days before the Opening Date, we will provide training in the material aspects of operating a Restaurant to you (or your Operating Partner) and up to three (3) additional employees that you designate and we approve (the "**Training Program**") at no cost to you, if all such persons attend the Training Program at the same time. We will determine the identity and composition of the trainer(s) conducting all portions of the Training Program in our discretion. If we provide any portion of the Training Program more than one time, we may charge you our then-current training fee for any training that has been previously provided to at least one member of your team. We may also elect not to provide any portion of the Training Program more than once. You may invite additional employees to attend the Training Program if space allows, though we reserve the right to charge you our then-current training fee for each additional individual. We reserve the right to limit the number of additional attendees for the Training Program. You may also request that we provide any portion of the Training Program on-site at your Restaurant, and we will determine whether to such portion of the Training Program on-site in our sole discretion. If we provide any portion of the Training Program on-site at your Restaurant we reserve the right to charge our then current training fee.

We will provide the Training Program at the times and locations we determine in our sole discretion, which may include sending our trainer(s) to your Restaurant to conduct any part of the Training Program. We shall also determine, in our sole discretion, the length and content of the Training Program. We reserve the right to vary the Training Program based on the experience and skill level of the individual(s) attending. You (or your Operating Partner) and your Designated Manager (if applicable) must satisfactory complete the Training Program prior to opening or operating your Restaurant. We reserve the right to require any additional managers and/or assistant managers of your Restaurant to attend the Training Program, in our sole discretion. Scheduling of the Training Program is based on your and our availability, training facility availability and the projected Opening Date.

If you (or your Operating Partner) or your Designated Manger (if applicable), or any manager and/or assistance manager required by us, fail to satisfactorily complete the Training Program then we reserve the right, in our sole discretion, to require such individual to attend additional training and we will charge you our then-current training fee for such additional training. Additional training will be provided at a time and location of our choice. If you (or your Operating Partner), or any manager and/or assistance manager required by us (including any applicable Designated Manger), are unable to satisfactorily complete the additional required training, we reserve the right, in our sole discretion, to terminate this Agreement. If we terminate this Agreement because you (or your Operating Partner) or your Designated Manager were unable to satisfactorily complete the Training Program, and you and your owners agree to execute general releases in a form satisfactory to us, we will refund half of the Initial Franchise Fee to you.

You are responsible for providing a training program for all your employees other than the attendees of the Training Program. All employees must satisfactorily pass the program prior to providing services at your Restaurant. We reserve the right to approve the length and content of all training programs you provide to your employees. If we determine, in our sole discretion, that you (or your Operating Partner), or any manager and/or assistant manager we require (including any applicable Designated Manger), is not properly trained to provide the services offered by your Restaurant, we may require such person to cease providing services at your Restaurant and/or to be trained by us at our then-current training fee.

If you appoint a new Operating Partner or Designated Manager, he or she must attend the then-current Training Program within thirty (30) days of the appointment date and you shall pay our then-current training fee, unless we determine that you are sufficiently trained to provide a comparable substitute training program to such Designated Manager, which determination we will make in our sole discretion. If we permit you to train any Designated Manager yourself, you must provide such training according to our then-current standards and specifications, and we must determine that such Designated Manager has been adequately trained prior to providing any services at your Restaurant. If we determine that any Designated Manager that you trained is not sufficiently trained to provide services at your Restaurant, we may require such person attend our Training Program and you must pay us our then-current training program fee. If we determine that you are sufficiently trained to provide a comparable substitute training program to any Designated Manager, we may elect not to make the Training Program available to such person until the next time our Training Program would otherwise be offered.

You (or your Operating Partner) may request additional training in the operation of a Restaurant. We and you will jointly determine the duration of this additional training, and we reserve the right to charge you our then-current training fee for such additional training. However, if your attendees satisfactorily complete the Training Program and have not expressly informed us at the end of the program that they do not feel sufficiently trained in the operation of a Restaurant, then you and they will be deemed to have been trained sufficiently to operate a Restaurant.

We may require you (or your Operating Partner), and/or certain other managers and employees of your Restaurant to attend various training courses (including any applicable Designated Manger), trade shows, ongoing education or certification programs, and/or webinars at the times and locations designated by us, including courses and programs provided by third-parties we designate. Besides attending these training courses, programs and events, we may additionally require you (or your Operating Partner) and any applicable Designated Manager to attend an annual meeting of franchise owners and/or meetings for regional franchise owners. These meetings will be held at our discretion and at locations we designate. However, any attendance at any additional training courses, programs or events, or any annual or regional franchise owner meetings, will not be required for more than five (5) days during a calendar year, except that once every 5 years we may require additional training for up to 10 days during that calendar year

You agree to pay all travel and living expenses (including, wages, transportation, food, lodging, and workers' compensation insurance) that you (or your Operating Partner) or any employee or manager (including any applicable Designated Manger) incurs during any and all meetings and/or training courses and programs. You are also responsible for the travel and living expenses and out-of-pocket costs we incur in sending our trainer(s) to your Restaurant to conduct training, including food, lodging and transportation. You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4B. OPENING ASSISTANCE.

We will send a training team (the identity and composition of which shall be in our discretion and may be comprised of only one (1) person) to your Restaurant to assist you with final suggestions on your Restaurant and provide on-site advice, guidance, and initial operations support for no fewer than two (2) days before and two (2) days after your Opening Date (which may not necessarily be consecutive, at our discretion).

4C. GENERAL GUIDANCE.

We may advise you from time to time regarding your Restaurant's operation based on your reports or our inspections. We may guide you with respect to: (1) standards, specifications, and operating procedures and methods that Restaurants use, including, facility appearance, guest service procedures, and quality control; (2) equipment and facility maintenance; (3) inventory management and working with national suppliers; (4) advertising, marketing and branding strategies; and (5) administrative, accounting, reporting and record retention. Such guidance will be furnished in the form of our Operations Manual (as defined in Section 4D). We may also provide guidance via telephonic conversations and/or consultation at our offices. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then-applicable fee, including our personnel's per diem charges and travel and living expenses. We reserve the right to periodically visit the Premises and evaluate your Restaurant.

4D. OPERATIONS MANUAL.

We will make one (1) copy of our manual for the operation of Restaurants available to you during the term of this Agreement, which may include one or more separate manuals, as well as audiotapes, videotapes, compact discs, computer software, information available on an internet site, other electronic media, bulletins and/or other written materials (collectively, the "**Operations Manual**"). The Operations Manual contains the mandatory specifications, standards, operating procedures, and rules that we periodically prescribe for operating a Restaurant ("**System Standards**"), other specifications, standards and procedures that we suggest, and information on your other obligations under this Agreement. We may modify the Operations Manual.

If there is a dispute over its contents, our master copy of the Operations Manual shall control. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than any employee who needs to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual.

You agree to keep your copy of the Operations Manual current and in a secure location at your Restaurant. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy at our then-applicable charge. At our option, we may post some or all of the Operations Manual on a restricted website or extranet to which you will have access. If we do so, you agree to monitor and access the website or extranet for any updates to the Operations Manual. Any passwords or other digital identifications necessary to access the Operations Manual on a website or extranet will be deemed to be part of Confidential Information (as defined in Section 6 below).

5. MARKS.

5A. OWNERSHIP AND GOODWILL OF MARKS.

Our affiliate ("**Trademark Owner**") has licensed the Marks to us to use in connection with the franchising, development, and operation of Restaurants. Your unauthorized use of the

Marks is a breach of this Agreement and infringes Trademark Owner's and our rights in the Marks. Your unauthorized use of the Marks will cause us and Trademark Owner irreparable harm for which there is no adequate remedy at law and will entitle us and Trademark Owner to injunctive relief. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and Trademark Owner's benefit and this Agreement does not confer any goodwill or other interests in the Marks to you (other than the right to operate your Restaurant under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement's term contest or assist any other person in contesting the validity of the Marks or our and/or Trademark Owner's ownership of the Marks.

5B. LIMITATIONS ON YOUR USE OF MARKS.

Your right to use the Marks is derived only from this Agreement. You may only use the Marks to operate your Restaurant according to this Agreement and in accordance with System Standards. You have no right to sublicense or assign your right to use the Marks. You agree to display the Marks prominently as we prescribe at your Restaurant and on forms, advertising, supplies, employee uniforms and other materials we designate. You may not use any other trademarks, service marks or commercial symbols to identify or operate the Restaurant.

You agree to identify yourself as the independent owner of your Restaurant in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any website, domain name, email address, social media account, other online presence or presence on any electronic medium of any kind ("**Online Presence**"), except in accordance with our guidelines set forth in the Operations Manual or otherwise in writing from time to time; (5) in advertising the transfer, sale, or other disposition of your Restaurant or an ownership interest in you, or (6) in any other manner that we have not expressly authorized in writing. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5C. NOTIFICATION OF INFRINGEMENTS AND CLAIMS.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any possible infringement, challenge, or claim. We and/or Trademark Owner may take any action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we have asked you to take.

5D. DISCONTINUANCE OF USE OF MARKS.

We may at any time, in our sole discretion, require you to modify or discontinue using any Mark and/or use one or more additional or substitute Marks. You agree to replace the Marks at your Restaurants with the modified, additional or substitute Marks we specify and comply with all other directions we give regarding the Marks at your Restaurant within a reasonable time after receiving notice from us. We are not required to reimburse you for any costs or expenses associated with making such changes, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

Our rights in this Section 5D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

5E. INDEMNIFICATION FOR USE OF MARKS.

We agree to reimburse you for all damages and expenses that you incur in responding to any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of the proceeding, and complied with our directions in responding to it. At our option, we and/or Trademark Owner may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

5F. OWNERS BOUND.

Unless otherwise specified, if you are an Entity, each and every one of your obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities, set forth in this Section 5, shall also apply to each of your owners.

6. CONFIDENTIAL INFORMATION.

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "**Confidential Information**"), relating to developing and operating Restaurants, including:

(1) training and operations materials, including the Operations Manual;

(2) the System Standards and other methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Restaurants;

(3) market research, promotional, marketing and advertising strategies and programs for Restaurants;

(4) strategic plans, including expansion strategies and targeted demographics;

(5) knowledge of, specifications for and suppliers of, and methods of ordering, Operating Assets and other products and supplies;

(6) any computer software or similar technology which is proprietary to us or the Franchise System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(7) knowledge of the operating results and financial performance of Restaurants other than your Restaurant;

(8) information generated by, or used or developed in, your Restaurant's operation, including information relating to customers such as customer names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information, and any other information contained from time to time in the Computer System; and

(9) any other information designated as confidential or proprietary by us.

All Confidential Information will be owned by us. You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating your Restaurant during this Agreement's term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you and your owners:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's term and then thereafter;

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

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including by restricting its disclosure and/or by requiring persons who have access to the Confidential Information to execute non-disclosure and non-competition agreements in the form attached as **Exhibit D**; and

(e) will not sell, trade or otherwise profit in any way from the Confidential Information, except using methods approved by us.

Confidential Information does not include information, knowledge, or know-how, which (i) before we provided it to you, lawfully came to your attention, (ii) before we disclosed it to you, had already lawfully become known to you through publication or communication by others (without violating an obligation to us or our affiliates), or (iii) after we disclosed it to you, lawfully becomes known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to a Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property, part of the Franchise System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, you hereby assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

7. EXCLUSIVE RELATIONSHIP DURING TERM.

7A. COVENANTS AGAINST COMPETITION.

You acknowledge that we have granted you a franchise in consideration of and reliance on your agreement to deal exclusively with us. You therefore agree that, during this Agreement's term, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(a) have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (as defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

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

(c) divert or attempt to divert any actual or potential business or customer of your Restaurant to a Competitive Business; or

(d) engage in any other activity which might injure the goodwill of the Marks and Franchise System.

You agree to obtain similar covenants from your personnel as we specify, including officers, directors, managers and other employees attending our Training Program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

The term "**Competitive Business**" means any business (excluding any Restaurants operated under a franchise agreement with us or our affiliate) operating, or granting, franchises or licenses to others to operate any business that (i) offers made-to-order meals in a format that allows customers to choose among various ingredients to create individual meal options (including, bowls, salads, wraps, juices, and smoothies), (ii) is marketed to the public primarily as a health-food or healthy-alternative foodservice business; and/or (iii) any other business (including retail businesses) materially engaged in offering juice, healthy food and/or smoothies.

7B. NON-SOLICITATION AND NON-INTERFERENCE.

You further agree that, during the term of this Agreement, neither you, any of your owners, nor any of your or your owners' immediate family members will:

(1) recruit, employ, or seek to employ any person who is (or was within the immediately preceding twenty-four (24) months) employed by us, by any of our affiliates, or by a Restaurant franchise owner, or induce or attempt to induce any such person to leave said employment; or

(2) solicit, interfere, or attempt to interfere with our or our affiliates' relationships with any customers, vendors, or consultants.

7C. NON-DISPARAGEMENT.

You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, the "grabbagreen" brand, the Franchise System, any Restaurant, any business using the Marks, or (ii) take any other action which would, directly or indirectly, subject the "grabbagreen" brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the "grabbagreen" brand.

8. SYSTEM STANDARDS.

8A. COMPLIANCE WITH SYSTEM STANDARDS.

You acknowledge and agree that operating and maintaining your Restaurant according to System Standards is essential to preserve the goodwill of the Marks and all Restaurants. Therefore, you agree at all times to operate and maintain your Restaurant according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard is not in the Franchise System's or your best interests. Although we retain the right to establish and periodically modify System Standards, you (or your Operating Partner) are solely responsible for the management and operation of your Restaurant and for implementing and maintaining System Standards at your Restaurant.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8B through 8I below:

(1) amounts and types of equipment and inventory you must purchase and/or maintain;

(2) sales, marketing, advertising, and promotional campaigns, including prize contests, special offers and other national, regional or location marketing programs, and materials and media used in these programs;

(3) if we require you to offer delivery, catering and/or any other off-site services, the methods you use to operate, offer and sell such services;

(4) use and display of the Marks at your Restaurant and on uniforms, labels, forms, paper, products, and other supplies;

(5) issuing and honoring gift cards, gift certificates and similar items, and participating in loyalty card programs;

(6) staffing levels for your Restaurant; identifying your Restaurant's personnel; and employee credentials and qualifications, training, dress, and appearance (although you have sole responsibility and authority concerning employee selection and promotion, hours worked, rates of pay and other benefits, work assigned, and working conditions);

(7) days and hours of operation;

(8) customer service standards and policies, and participation in quality assurance and customer satisfaction programs;

(9) menus, including product offerings, appearance, and inclusion of nutrition information;

(10) product and service development programs, including participation in market research and testing;

(11) participation in, and dues assessed for, advisory councils;

(12) accepting credit and debit cards, other payment systems, and check verification services;

(13) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and

(14) any other aspects of operating and maintaining your Restaurant that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Restaurants.

8B. VARIATION AND MODIFICATION OF SYSTEM STANDARDS.

You acknowledge that complete and detailed uniformity might not be possible or practical under varying conditions, and that we specifically reserve the right (as we consider best, in our sole discretion) to vary System Standards for any franchise owner based on the peculiarities of any condition that we consider important to that franchise owner's successful operation. We may choose not to authorize similar variations or accommodations to you or other franchise owners. We may also permit variations in the System Standards (as we consider best, in our sole discretion) between Restaurants owned by us and Restaurants owned by franchisees.

We may periodically modify System Standards. These modifications may obligate you to invest additional capital in your Restaurant and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling your Restaurant, buying new Operating Assets, adding new products and services, adding personnel or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

8C. CONDITION AND APPEARANCE OF YOUR RESTAURANT.

During the term of this Agreement you must regularly clean, repaint and repair the interior and exterior of the Premises, repair or replace damaged, worn out or obsolete Operating Assets and otherwise maintain the condition of your Restaurant, the Premises and the Operating Assets to meet the highest standards of professionalism, cleanliness, sanitation, efficient, courteous service and pleasant ambiance.

If the general state of repair, appearance or cleanliness of the Premises or the Operating Assets does not meet our standards at any time in our reasonable judgment, we may notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within ten (10) days after you receive our notice, and/or do not complete any required maintenance or refurbishing in good faith and with due diligence, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf. You agree to reimburse us on demand for any expenses we incur in maintaining or refurbishing the Premises on your behalf.

You will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve.

8D. APPROVED PRODUCTS AND SERVICES.

You agree that: (1) you will offer for sale or sell at your Restaurant the products and services that we specify from time to time; (2) you will offer for sale or sell at your Restaurant approved products and services only in the manner and at the locations we have prescribed and will not sell any products or services wholesale or through alternative channels of distribution (including, the internet or retail stores); (3) you will not offer for sale or sell at your Restaurant, the Premises or any other location any products or services we have not approved (including any delivery, catering or other off-site services we have not authorized); (4) you will discontinue selling and offering for sale at your Restaurant any products or services that we at any time decide (in our sole discretion) to disapprove; (5) you will purchase and use only the brands, types, or models of products, materials, supplies and services (including the Operating Assets and the Computer System) that we designate for operating your Restaurant; and (6) your Restaurant will provide services and sell products only on the days and during the hours approved by us.

We reserve the right, at any time in our sole discretion, to require that you offer and provide delivery, catering and/or other off-site services. If we require you to offer and provide delivery, catering and/or other off-site services, you must bring your Restaurant into compliance with our System Standards for such services within sixty (60) days from the date you receive our notice of the requirement, including by purchasing or leasing any necessary motor vehicles and/or Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such services through an online and/or automated system. We reserve the right to limit the geographic area in which you may offer delivery, catering and/or any other off-site services, and we may modify that geographic area from time to time, in our sole discretion. If we specify a geographic area in which you may offer and provide delivery, catering and/or other off-site services, you agree not to offer or provide such services outside of that area.

If we at any time (including after our initial approval) determine that you fail to meet our System Standards for providing any products or services that we require (including delivery, catering and/or any other off-site services, if applicable), we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein shall be deemed a waiver of our right to terminate pursuant to Section 14.

8E. APPROVED DISTRIBUTORS AND SUPPLIERS.

We may designate, approve or develop standards and specifications for manufacturers, distributors and suppliers of products and services to your Restaurant, which may be us or our affiliates (collectively, "**suppliers**"). You must purchase the products and services we periodically designate only from the suppliers we prescribe and only on the terms and according to the specifications we approve.

We may concentrate purchases with one or more suppliers to obtain lower prices, advertising support and/or services for any group of Restaurants franchised or operated by us or our affiliates. We may also designate a single supplier for any product, service, Operating Asset, or other material, or approve a supplier only for certain products. You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases (including from charging you for products and services we or our affiliates provide to you and from promotional allowances, rebates, volume discounts and other payments, services or consideration we receive from suppliers that we designate or approve for some or all of our franchise owners). We and/or any of our affiliates may use such revenue or profit without restriction.

Approval of a supplier may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase or use any products, services, supplies or materials from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier prior to purchasing any such products, services, supplies or materials. We reserve the right to charge you a fee (not to exceed the reasonable cost of the research and inspection and the actual cost of the test) to make the evaluation. We have the right to inspect the proposed supplier's facilities and to require that product samples from the proposed supplier be delivered either directly to us or to a third party we designate for testing. We will notify you in writing of the approval or rejection of the proposed supplier within a reasonable time after completion of the investigation. If we fail to respond within sixty (60) days, your request will be deemed denied. We may elect to withhold approval of the supplier, in our sole discretion and for any reason. You acknowledge that we are likely to reject your request for a new supplier without conducting any investigation if we have already designated an exclusive supplier for that product or service. We may revoke our approval of any supplier at any time if the supplier does not continue to meet any of our criteria. We also reserve the right to charge suppliers a royalty for the right to manufacture products for use in the Restaurants.

8F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain all required licenses, permits and certificates relating to your Restaurant and must at all times operate your Restaurant in full compliance with all applicable laws, ordinances and regulations. You agree to comply and assist us in our compliance efforts with any and all laws and regulations, including those relating to truth in lending, restaurants and food service businesses, safety and sanitation, truth in advertising, occupational hazards, health and anti-discrimination laws, and anti-terrorist activities (including the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations). In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Restaurant as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities (as provided in Section 16D) apply to your obligations under this Section.

Your Restaurant must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, us and the public. You agree to refrain from any business or advertising practice which may injure our business and the goodwill associated with the Marks and other Restaurants. You must notify us in writing within five (5) days of the threat of or 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 your operation or financial condition or that of your Restaurant and of any notice of violation of any law, ordinance, or regulation relating to your Restaurant.

8G. INFORMATION SECURITY

You must implement all administrative, physical and technical safeguards that we require to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("**Personal Information**"). No assistance, guidance, standards or requirements that we provide you constitute a representation or warranty of any kind, express or implied, that your Restaurant or business is compliant with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is your responsibility to confirm that the safeguards you use to protect Personal Information comply with all laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information.

If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed. We reserve the right to conduct a data security and privacy audit of your Restaurant and your Computer System at any time, from time to time, to ensure that you are complying with our requirements for handling Personal Information. The cost of such audit shall be paid by you. You agree to cooperate with us fully during the course of this audit. If we exercise any of these rights, we will not interfere unreasonably with your Restaurant's operation.

8H. MANAGEMENT OF YOUR RESTAURANT.

Subject to the terms and conditions of this Agreement, you are solely responsible for the management, direction and control of your Restaurant. However, you (or your Operating Partner) may elect not to supervise your Restaurant on a full-time basis, provided that you appoint a manager who has completed our then-current Training Program to work full-time at your Restaurant (your "**Designated Manager**"). Your Designated Manager must supervise the management and day-to-day operations of your Restaurant and continuously exert best efforts to promote and enhance your Restaurant and the goodwill associated with the Marks. You must identify your Designated Manager on **Exhibit A** and we must approve your Designated Manager. In the event that you elect not to appoint a Designated Manager, your Designated Manager's employment at your Restaurant is terminated, or we disapprove your Designated Manager at any time, you (or your Operating Partner) must immediately assume the full-time responsibilities of operating the Restaurant pursuant to the terms of this Agreement.

Your Restaurant must always be under the direct on-site supervision of one or more persons who have completed our Training Program.

8I. EMPLOYEES, AGENTS & INDEPENDENT CONTRACTORS.

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you may hire to assist in the operation of your Restaurant. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Restaurant in compliance with federal, state, and local employment laws.

We reserve the right to require that any employee, agent or independent contractor that you hire execute a non-disclosure and non-competition agreement to protect the Confidential Information. We reserve the right to regulate the form of non-disclosure and non-competition agreement that you use (including by requiring you to use the agreement attached as **Exhibit D**) and to be a third party beneficiary of those agreements with independent enforcement rights. You acknowledge that any form of non-disclosure and non-competition agreement that we require you to use, provide to you, or regulate the terms of (including the agreement attached as **Exhibit D**) may or may not be enforceable in a particular jurisdiction. You agree that you are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of any confidentiality and non-compete agreement that your employees, agents and independent contractors sign.

8J. INSURANCE.

During the term of this Agreement you must maintain in force at your sole expense comprehensive public liability, general liability, personal injury liability, motor vehicle liability, property, product liability, workmen's compensation, employment practices liability, commercial liability umbrella and other types of insurance we require, including the types and minimum amounts of insurance specific to delivery, catering and/or other off-site services, if applicable. We reserve the right to require that you obtain all or a portion of your insurance policies from a designated vendor and on the terms and according to the specifications we approve. The liability insurance must cover claims for bodily and personal injury, death, and property damage caused by or occurring in connection with your Restaurant's operation or activities of your personnel in the course of their employment (within and outside your Restaurant and the Premises). All of these policies must contain the minimum coverage we prescribe from time to time, and must have deductibles not to exceed the amounts we specify. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time. These insurance policies must be purchased from licensed insurers having a rating of "A/VIII" or higher by the then-current edition of Best Insurance Reports published by A.M. Best Company (or other similar publication or criteria we designate).

Each insurance policy for liability coverage must name us and any affiliates we designate as additional named insureds, using a form of endorsement that we have approved, and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. Each insurance policy must contain a waiver of all subrogation rights against us, our affiliates and their successors and assigns. You must routinely furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies including termination, we may (but are not required to) obtain such insurance for you and your Restaurant on your behalf, in which event you agree to cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Restaurant's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Restaurant that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

8K. PRICING.

We may periodically set a maximum or minimum price that you may charge for products and services offered by your Restaurant. If we impose a maximum price for any product or service, you may not charge more for the product or service than the maximum price we impose. If we impose a minimum price for any product or service, you may not charge less for such product or service than the minimum price we impose. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

9. MARKETING.

9A. EAT CLEAN AND FREE PROGRAM.

You must offer free meals to customers of your Restaurant as part of an Eat Clean and Free grand opening marketing program (your "**Eat Clean and Free Program**"). You must comply with our guidelines for your Eat Clean and Free Program and conduct it in accordance with our System Standards, including by offering the minimum number of free meals to the minimum number of customers we specify, and during the hours we specify. We must approve the date that you will conduct your Eat Clean and Free Program, which must be within the first 10 calendar days after your Opening Date. You may elect to conduct additional marketing or extend the duration of your Eat Clean and Free Program, in your discretion, though you must continue to conduct all such marketing and the Eat Clean and Free Program in full compliance this Agreement and with our System Standards.

9B. LOCAL ADVERTISING EXPENDITURE.

You are solely responsible for conducing all local advertising for your Restaurant. You must advertise and market your Restaurant in any advertising medium we determine, using forms of advertisement we approve. You must also list your Restaurant with the online directories and subscriptions we periodically prescribe (such as Yelp® and Google®), and/or establish any other Online Presence we require or authorize. You must comply with all of our System Standards for your local advertising, including your Online Presences. We may also require you to engage a professional photographer at your sole cost to obtain professional photographs of your Restaurant, and to use such photographs in a manner we approve to advertising your Restaurant.

Subject to Section 9F below, we may require you from time to time to spend a minimum amount per month to advertise and promote your Restaurant (this may include the costs of online directory advertising) (the "**Local Advertising Expenditure**"). We reserve the right to approve the type of expenditure that will count towards your Local Advertising Expenditure. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of employees administering the campaigns, will not be counted towards your Local Advertising Expenditure. Additionally, any costs you incur for advertising conducted at the Premises, such as in-store materials and signage, will not be counted towards your Local Advertising Expenditure. On our request, you agree to send us, in the manner we prescribe, an accounting of your Local Advertising Expenditures during the preceding months.

We reserve the right to require you to pay part or all of the Local Advertising Expenditure to us or our designee. If we exercise this option, we will contribute the amount you pay us to the Marketing Fund (as defined in Section 9D). We may at any time, on one or more occasions, cease collecting all or part of the Local Advertising Expenditure, or change the proportion of the Local Advertising Expenditure that you must pay us or our designees. If other Restaurants are located in your market area, we may also require you to participate in a collective advertisement with those other Restaurants and to pay your share of the cost of that collective advertisement.

9C. ADVERTISING BY YOU.

You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to the highest standards of ethical advertising, the System Standards, and any marketing and the advertising and marketing policies that we prescribe from time to time. At least fourteen (14) days before you intend to use them, you agree to send us samples of all advertising, promotional and marketing materials that we have previously not approved. If we do not approve of the materials within seven (7) days of our receipt of such materials, then they shall be deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

9D. ADVERTISING AND MARKETING FUND.

Recognizing the value of advertising and marketing to the goodwill and public image of Restaurants, we have established a national advertising and marketing fund (the "**Marketing Fund**") for the advertising, marketing, and public relations programs and materials we deem appropriate that will be used nationally, regionally, or locally in our franchise owners' markets. Subject to Section 9F below, you must contribute to the Marketing Fund (your "**Marketing Fund Contribution**") in an amount equal to one percent (1%) your Restaurant's Gross Sales during the preceding week.

The purpose of the Marketing Fund is to promote the Marks, patronage of Restaurants and the "grabbagreen" brand generally. Although we will try to use the Marketing Fund in a manner that will benefit all Restaurants, we cannot ensure that the Marketing Fund's expenditures for any specific geographic area will be proportionate to the Marketing Fund Contributions of contributors in that geographic area. We can also not ensure that any contributor will benefit directly or in proportion to its Marketing Fund Contribution. We have no obligation to use the resources of the Marketing Fund to conduct local advertising for your Restaurant or in your market area.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic market, media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining

Franchise System Websites or related websites that promote Restaurants; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices; administering online advertising and marketing campaigns (including search engine, social media, email, and display ad campaigns); administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing activities; and/or related strategies.

We will account for the Marketing Fund separately from our other funds. We may use the Marketing Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund; the Marketing Fund's other administrative costs; travel expenses of personnel while they are on Marketing Fund business; meeting costs; overhead relating to Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Marketing Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Marketing Fund Contributions.

The Marketing Fund is not our asset. Although the Marketing Fund is not a trust, we will hold all Marketing Fund Contributions for the benefit of the contributors and use contributions only for the purposes described in this Section. We do not have any fiduciary obligation for administering the Marketing Fund or for any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund Contributions to pay costs before using the Marketing Fund's other assets.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement on written request. We may have the Marketing Fund audited annually, at the Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity as we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9D.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Marketing Fund Contributions at the Marketing Fund's expense. We may also forgive, waive, settle, and compromise all claims by or against the Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Marketing Fund.

We may at any time defer or reduce contributions of a franchise owner or, on thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund Contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will continue to spend all unspent monies in accordance with this Section, until such amounts are exhausted.

9E. LOCAL ADVERTISING COOPERATIVE.

You agree that we or our affiliates or designees may establish or direct the establishment of a local advertising cooperative ("**Local Advertising Cooperative**") in geographical areas (as determined by us) in which two (2) or more Restaurants are operating. The Local Advertising Cooperative will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchise owners to review. We may change, dissolve, merge and reinstate any Local Advertising Cooperatives. Each Local Advertising Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. If we have established a Local Advertising Cooperative for the geographic area in which your Restaurant is located, as of the time you sign this Agreement, or if we establish a Local Advertising Cooperative in that area during this Agreement's term, you agree to sign the documents we require to become a member of the Local Advertising Cooperative and to participate in the Local Advertising Cooperative as we require.

If we establish a Local Advertising Cooperative in your geographic area pursuant to this Section 9E, you agree to participate and contribute your share to such Local Advertising Cooperative ("**Local Advertising Cooperative Contribution**"). The amount of your Local Advertising Cooperative Contribution will be determined at the time the Local Advertising Cooperative is established, provided, that it will be subject to Section 9F below. Your Local Advertising Cooperative Contribution will be payable in the same manner as the Royalty. Your Local Advertising Cooperative Contribution may also be capped based on the provisions of the by-laws adopted by the Local Advertising Cooperative, subject to our approval.

Each Restaurant contributing to a Local Advertising Cooperative will have one (1) vote on matters involving the activities of the particular Local Advertising Cooperative. The Local Advertising Cooperative may not use any advertising, marketing or promotional plans or materials without our prior written consent. However, you acknowledge and agree that, subject to our approval and subject to availability of funds, the Local Advertising Cooperative will have discretion over the creative concepts, materials and endorsements used by it. We agree to assist in the formulation of marketing plans and programs, which will be implemented under the direction of the Local Advertising Cooperative. You agree that the Local Advertising Cooperative Contributions may be used to pay the costs of preparing and producing video, audio and written advertising and direct sales materials for Restaurants in your area; purchasing direct mail and other media advertising for Restaurants in your area; implementing direct sales programs; and employing marketing, advertising and public relations firms to assist with the development and administration of marketing programs for Restaurants in your area.

The Local Advertising Cooperative Contributions will be accounted for separately by us from our other funds and will not be used to defray any of our general operating expenses. You agree to submit to us and the Local Advertising Cooperative any reports that we or the Local Advertising Cooperative require.

You understand and acknowledge that your Restaurant might not benefit directly or in proportion to its Local Advertising Cooperative Contribution. Local Advertising Cooperatives for Restaurants will be developed separately and no Local Advertising Cooperative will be intended to benefit the others. We will have the right, but not the obligation, to use collection agents and to institute legal proceedings to collect a Local Advertising Cooperative Contributions on behalf of and at the expense of the Local Advertising Cooperative and to forgive, waive, settle and compromise all claims by or against the Local Advertising Cooperative. Except as expressly provided in this Section 9E, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Local Advertising Cooperative.

9F. MAXIMUM ADVERTISING EXPENDITURE

The combined Marketing Fund Contribution, Local Advertising Expenditure and Local Advertising Cooperative Contribution shall not exceed two percent (2%) of your Restaurant's Gross Sales (the "**Maximum Advertising Expenditure**"). We reserve the right, on sixty (60) days written notice, and in our sole discretion, to change the amount of the Marketing Fund Contribution, Local Advertising Expenditure or Local Advertising Cooperative Contribution so long as any change does not result in a combined Marketing Fund Contribution, Local Advertising Expenditure and Local Advertising Cooperative Contribution greater than the Maximum Advertising Expenditure.

9G. FRANCHISE SYSTEM WEBSITE.

We may establish, acquire, or host any website(s) to advertise, market, and promote Restaurants, the products and services that they offer and sell, and/or a Restaurant franchise opportunity (a "**Franchise System Website**"). We may (but are not required to) provide you with a webpage on a Franchise System Website that references your Restaurant. If we provide you with a webpage on a Franchise System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the content of your webpage. We will own all intellectual property and other rights in all Franchise System Websites, including your webpage and all information it contains (including the domain name, any associated email address, any website analytical data, and any personal or business data that visitors supply).

We may use the Marketing Fund's assets to develop, maintain and update any Franchise System Website. We periodically may update and modify any Franchise System Website (including your webpage). You acknowledge that we have final approval rights over all information on any Franchise System Website (including your webpage). We may implement and periodically modify System Standards relating to any Franchise System Website.

Even if we provide you a webpage on a Franchise System Website, we will only maintain this webpage while you are in full compliance with this Agreement and all System Standards we implement (including those relating to Franchise System Websites). If you are in default of any obligation under this Agreement or our System Standards, then we may temporarily remove your webpage from any Franchise System Website (or all Franchise System Websites) until you fully cure the default. We will permanently remove your webpage from all Franchise System Websites upon this Agreement's expiration or termination.

We may require you to provide notice of any Franchise System Website in the advertising, marketing, and promotional materials that you develop for your Restaurant in the manner we designate. We reserve the sole right to sell the products sold by Restaurants on the internet through Franchise System Websites. You agree that you will not sell any Restaurant products or services to customers on a website through the internet or through any alternative channels of distribution.

We reserve the right to require you to obtain from us and use an email address associated with our registered domain name. If we require you to obtain and use such an email address, you must do so according to our then-current terms and conditions. We reserve the right to charge you a fee for each email address we provide you as part of the Technology Fee.

Except as provided above, or as approved by us in writing or in the Operations Manual, you may not develop, maintain or authorize any Online Presence that mentions your Restaurant, links to any Franchise System Website or displays any of the Marks, or engage in any promotional or similar activities, whether directly or indirectly, through any Online Presence. If we approve the use of any such Online Presence in the operation of your Restaurant, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. We will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence.

10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. You must use the Computer System to maintain certain sales data, customer information and other information. You agree that we shall have access to your Computer System at all times and that we shall have the right to collect and retain from the Computer System any and all data concerning your Restaurant. We may require that you hire a service-provider that we designate as your provider of accounting, payroll and/or bookkeeping services. If we designate a service-provider for accounting, payroll and/or bookkeeping services, you agree to cooperate with such service-provider and provide such service-provider with all information you would appropriately provide us under this Section 10.

Each month, you agree to generate, in the manner and format that we may prescribe from time to time, an income statement (including a standard chart of the accounts designated by us) for your Restaurant covering the most recently completed month. On our request, you agree to send us such statements. You also agree to give us in the manner and format that we prescribe from time to time:

(a) on or before the Royalty payment, a report on your Restaurant's Gross Sales during the preceding calendar month;

(b) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports and other information we request regarding your Restaurant covering the preceding month;

(c) within the time limits specified in the Operations Manual, such other periodic operating statements, financial statements, statistical reports and other information we request regarding you and your Restaurant;

(d) by March 15th of each year, annual profit and loss and source and use of funds statements and a balance sheet for your Restaurant as of the end of the prior calendar year; and

(e) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we may periodically require relating to you and your Restaurant.

An officer must certify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in materials that we circulate publicly.

Subject to applicable law, you agree to preserve and maintain all records in a secure location at your Restaurant for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts journals, cash disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during the term of this Agreement.

11. INSPECTIONS AND AUDITS.

11A. OUR RIGHT TO INSPECT YOUR RESTAURANT.

To determine whether you and your Restaurant are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect your Restaurant; (2) photograph your Restaurant and observe and videotape your Restaurant's operation for consecutive or intermittent periods we deem necessary; (3) continuously or periodically monitor your Restaurant using electronic surveillance or other means; (4) remove samples of any products and supplies; (5) interview your Restaurant's personnel and customers; and (6) inspect and copy any books, records, and documents relating to your Restaurant's operation. Additionally, we may contract with third parties to conduct mystery shopper, customer survey or other market research testing, and quality assurance inspections at your Restaurant. You agree to cooperate with us fully during the course of these inspections and tests. If we exercise any of these rights, we will not interfere unreasonably with your Restaurant's operation.

11B. OUR RIGHT TO AUDIT.

We may at any time during your business hours, and without prior notice to you, examine your and your Restaurant's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of your Restaurant's Gross Sales, you agree to pay us the Royalty, Marketing Fund Contribution, and any other fees understated, plus interest on the understated amounts from the date originally due until the date of payment, within fifteen (15) days after receiving the examination report. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Sales exceeding three percent (3%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER.

12A. BY US.

You acknowledge that we maintain a staff to manage and operate the Franchise System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form of organization and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any obligations under this Agreement. This Agreement and any other agreement will inure to the benefit of any transferee or other legal successor to our interest in it.

12B. BY YOU.

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners and that we have granted you the franchise in reliance on our perception of your and your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, without our prior written approval, you may not transfer any of the following, or attempt to transfer any of the following, including by listing any of the following for sale on any directory or listing: (i) this Agreement (or any interest in this Agreement); (ii) your Restaurant (or any right to receive all or a portion of your Restaurant's profits or losses or capital appreciation related to your Restaurant); (iii) substantially all of the assets of your Restaurant; or (iv) any direct or indirect ownership interest in you (regardless of its size) if you are an entity. A transfer of your Restaurant's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including transfer by reason of merger, consolidation, issuance of additional securities, death, disability, divorce, insolvency, foreclosure, surrender or by operation of law.

Additionally, you may not pledge or encumber this Agreement, your Restaurant or an ownership interest in you or your owners (to someone other than us) as security for any loan or other financing, unless (1) we grant our prior written consent and (2) the lender agrees that its claims will be subordinate to all amounts you owe at any time to us or our affiliates.

12C. CONDITIONS FOR APPROVAL OF TRANSFER.

Subject to the other provisions of this Section 12, we will approve a transfer that meets all of the following conditions before or concurrently with the effective date of the transfer:

(1) you submit an application in writing requesting our consent and providing us all information or documents we request about the transferee and its owners that we request to evaluate their ability to satisfy their respective obligations under our then-current form of franchise agreement and any documents ancillary thereto, and each such person must have completed and satisfied all of our application and certification requirements, including the criteria that neither the transferee nor its owners (if the transferee is an entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(2) you have provided us executed versions of any documents executed by you (or your owners) and transferee (and its owners) to effect the transfer, and all other information we request about the proposed transfer, and such transfer meets all of our requirements, including criteria for terms and conditions, closing date, purchase price, amount of debt and payment terms;

(3) you (and your owners) and the transferee (and its owners) sign all of the documents we are then requiring in connection with a transfer, in a form satisfactory to us, including: (i) a general release of any and all claims against us and our affiliates and our and their owners, officers, directors, employees, and agents, (ii) a covenant that you and your transferring owners (and your and their immediate family members) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15F below, (iii) covenants that you and your transferring owners satisfy all other post-termination obligations under this Agreement;

(4) you have paid all Royalties, Marketing Fund Contributions, and other amounts owed to us, our affiliates, and third-party vendors, and have submitted all required reports and statements;

(5) you and your owners have not violated any provision of this Agreement or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(6) the transferee (or its Operating Partner) and any other manager and/or assistant manager we designate (including any applicable Designated Manager), satisfactorily complete our then-current Training Program;

(7) if the proposed transfer (including any assignment of the Lease or subleasing of the Premises) requires notice to or approval from your landlord, or any other action under the terms of the Lease, you have taken such appropriate action and delivered us evidence of the same;

(8) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty and the Marketing Fund Contribution; provided, however, that the term of the new franchise agreement signed will equal the remainder of the then-remaining term of this Agreement;

(9) you pay us a transfer fee equal to $10,000, unless the transfer is of a non-controlling interest in you (if you are an entity), in which case you must only reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees;

(10) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of your Restaurant;

(11) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Restaurant are subordinate to the transferee's obligation to pay Royalties, Marketing Fund Contributions, and other amounts due to us, our affiliates, and third-party vendors related to the operation of the Restaurant and otherwise to comply with this Agreement;

(12) you have corrected any existing deficiencies of your Restaurant of which we have notified you, and/or the transferee agrees to upgrade, remodel, and refurbish your Restaurant in accordance with our then-current requirements and specifications for Restaurants within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken) and the transferee agrees to escrow an amount we approve for payment of the required upgrade, remodel or refurbishment; and

(13) you provide us the evidence we reasonably request to show that appropriate measures have been taken to effect the transfer as it relates to the operation of the Restaurant, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding your Restaurant.

Our consent to a transfer pursuant to this Section is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Restaurant's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12D. TRANSFER TO A WHOLLY-OWNED ENTITY.

Notwithstanding Section 12C above, if you are in full compliance with this Agreement, you may transfer this Agreement to an Entity in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests; provided, that (i) that Entity will own all of your Restaurant's assets, and will conduct all of your Restaurant's business, (ii) that Entity will conduct no business other than your Restaurant and, if applicable, other Restaurants, and (iii) you reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees. The Entity must expressly assume all of your obligations under this Agreement. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur and sign the form of consent to assignment and assignment satisfactory to us which may include a general release of any and all claims against us and our owners, officers, directors, employees and agents. You further agree to provide us with all organizational documents for the Entity that we require.

12E. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) at any time decide to sell an interest in this Agreement, your Restaurant, substantially all the assets of your Restaurant, or an ownership interest in you or one of your owners (except to or among the current owners of such Entity), you (or your owners) agree to obtain a bona fide executed written offer, relating exclusively to the transfer of this Agreement, your Restaurant, substantially all the assets of your Restaurant, or the ownership interest in you or one of your owners (as applicable), from a responsible and fully disclosed buyer and send to us a true and complete copy of that written offer. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

We may also require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction. We may elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(1) we notify you or your selling owner(s) that we intend to purchase the interest or within thirty (30) days after we receive a copy of the offer and all other information we request;

(2) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(3) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(4) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and

(5) we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in an Entity, as applicable, including representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12E.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with Sections 12B and C above, and if you (and your owners) and the transferee comply with the conditions in Sections 12B and C above. Notwithstanding anything in this Section to the contrary, the right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12B and C above.

If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal. We or our designee must exercise this additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

12F. YOUR DEATH OR DISABILITY.

On the death or disability of you, your Operating Partner or any owner with a controlling ownership interest in you (a "**Controlling Owner**"), your or the Operating Partner's or such Controlling Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Operating Partner's or Controlling Owner's ownership interest in you, to a third party (which may be your or the Operating Partner's or Controlling Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12 (except that any transferee that is the spouse or immediate family member of you or your Operating Partner or such Controlling Owner, shall not have to pay the transfer fee described in Section 12C(7) if the transfer meets all the other conditions in Section 12C; provided, that the transferee reimburse us for any direct costs we incur in connection with documenting and otherwise processing such transfer, including reasonable legal fees).

A failure to transfer your interest in this Agreement or the Operating Partner's or such Controlling Owner's ownership interest in you within this time period is a breach of this Agreement. The term "**disability**" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Partner or such Controlling Owner from supervising the management and operation of your Restaurant. If your Restaurant is not being managed by an approved Designated Manager at the time of your or your Operating Partner's death or disability, your or the Operating Partner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a Designated Manager in accordance with the terms and conditions of Section 8H. A new Operating Partner acceptable to us also must be appointed for your Restaurant within sixty (60) days. If your Restaurant is not being managed properly at any time after your or the Operating Partner's death or disability, in our sole judgment, we may, but need not, assume your Restaurant's management (or appoint a third party to assume its management) in accordance with Section 14C.

13. EXPIRATION OF THIS AGREEMENT.

13A. YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.

Upon expiration of this Agreement, you will have the option to acquire a successor franchise to operate your Restaurant for one (1) additional term of ten (10) years, if you meet the following conditions:

(1) you (and each of your owners) have substantially complied with this Agreement during its term;

(2) you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13B below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards;

(3) you maintain possession of and agree to remodel and/or expand your Restaurant, add or replace improvements and Operating Assets, and otherwise modify your Restaurant as we require to comply with System Standards then-applicable for new Restaurants, or, at your option, you secure substitute premises that we approve and you develop those premises according to System Standards then-applicable for Restaurants;

(4) you sign the franchise agreement we then use to grant franchises for Restaurants (modified as necessary to reflect the fact that it is for a successor franchise),

which may contain provisions that differ materially from those contained in this Agreement;

(5) you and your owners agree to sign, in a form satisfactory to us, guarantees and general releases of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns; and

(6) you pay a successor franchise fee equal to $10,000.

If you (and your owners) fail to meet the conditions set forth in this Section, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its term under Section 14B.

13B. GRANT OF A SUCCESSOR FRANCHISE.

You agree to give us written notice ("**Your Notice**") of your election to acquire a successor franchise no more than one (1) year and no less than one hundred eighty (180) days before this Agreement expires. We agree to give you written notice ("**Our Notice**") of our decision to grant or not to grant you a successor franchise not more than six (6) months after we receive Your Notice. If applicable, Our Notice will describe the remodeling, maintenance, expansion, improvements, technology upgrades, trade dress updates, and/or modifications required to bring your Restaurant into compliance with then-applicable System Standards for new Restaurants, and state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

If Our Notice states that you must remodel your Restaurant and/or must cure certain deficiencies of your Restaurant or its operation as a condition to our granting you a successor franchise, and you fail to complete the remodeling and/or to cure those deficiencies, we will give you written notice of our decision not to grant a successor franchise, not less than ninety (90) days before this Agreement expires; provided, that we need not give you ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the ninety (90) day period before it expires. We may extend this Agreement's term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

14. TERMINATION OF AGREEMENT.

14A. TERMINATION BY YOU.

You may terminate this Agreement if you are in full compliance with this Agreement and we materially fail to comply with this Agreement, and (i) we fail correct the failure within thirty (30) days after you deliver written notice of the material failure to us, or (ii) if we cannot correct the failure within thirty (30) days, we fail to give you within thirty (30) days after your notice reasonable evidence of our effort to correct the failure within a reasonable time. Your termination under this Section will be effective thirty (30) days after you deliver to us the written notice of termination.

If you terminate this Agreement other than according to this Section 14A, the termination will be deemed a termination without cause and a breach of this Agreement.

14B. TERMINATION BY US.

We may terminate this Agreement, effective on delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the franchise or operating your Restaurant;

(2) you do not obtain our approval of your Lease, or deliver us a fully-executed copy of the Lease and Lease Rider, in each case by the deadlines set forth in 2B;

(3) you do not comply with the conditions specified in Section 2F, and open your Restaurant for full use by customers, by the deadline specified in Section 2F;

(4) if you have signed this Franchise Agreement as a Concurrent Multi-Unit Franchise, you fail to open any such Concurrent Multi-Unit Franchise, in accordance with the terms of an effective franchise agreement with us (which may be this Agreement), by the deadline specified on **Exhibit C**;

(5) you (or your Operating Partner), your Designated Manager (if applicable), and/or any manager or assistant manager we require, do not satisfactorily complete the Training Program in accordance with Section 4A;

(6) you abandon or fail to actively operate your Restaurant for more than two (2) consecutive business days, or fourteen (14) days during any twelve-month period, or provide us or any other party notice (written or oral) that you intend to permanently close or otherwise abandon the operation of your Restaurant;

(7) you (or your owners) make or attempt to make any transfer in violation of Section 12;

(8) you (or any of your owners) are or have been convicted by a trial court of, or pleaded guilty or no contest to, a felony;

(9) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(10) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects your Restaurant's reputation or the goodwill associated with the Marks;

(11) you lose the right to occupy the Premises whether or not through any fault of yours;

(12) you (or any of your owners) knowingly make any unauthorized use or disclosure of any Confidential Information;

(13) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Restaurant in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation;

(14) you create or allow to exist any condition in connection with your operation of your Restaurant that we reasonably determine to present an immediate health or safety concerns for the Restaurant's customers or employees

(15) you violate any other applicable law, regulation, ordinance or consent decree, or fail to maintain any bond, license or permit, and do not cure such violation or failure within ten (10) days after we or any applicable government agency deliver notice to you of that violation or failure;

(16) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(17) you fail to pay when due any federal or state income, service, sales, or other taxes due on your Restaurant's operation, unless you are in good faith contesting your liability for these taxes;

(18) you have insufficient funds in your designated account to cover your payments owed for Royalties, Marketing Fund Contributions and other amounts due on three (3) separate occasions within a twelve (12) month period;

(19) you understate your Restaurant's Gross Sales three (3) times or more during this Agreement's term or by more than two percent (2%) on any one occasion;

(20) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any twelve (12) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(21) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your

property; your Restaurant is attached, seized, subjected to a writ or distress warrant, or levied on, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or your Restaurant is not vacated within thirty (30) days following the order's entry;

(22) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(23) you fail to pay the lessor of your Premises rent or any other amounts due under the Lease within thirty (30) days after the due date;

(24) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;

(25) there is a termination of any other franchise agreement between you or your affiliates and us (or any of our affiliates);

(26) you receive a below average or unsatisfactory grade on two (2) or more separate mystery shopper examinations or data security audits within any twelve (12) consecutive month period; or

(27) you fail to pay when due any third-party supplier and do not cure such failure within the applicable cure period.

14C. ASSUMPTION OF MANAGEMENT.

We have the right (but not the obligation) to enter the Premises and assume your Restaurant's management (or to appoint a third party to assume its management) for any period of time we deem appropriate, if: (1) you abandon or fail actively to operate your Restaurant; (2) you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) this Agreement is terminated and we are deciding whether to exercise our option to purchase your Restaurant under Section 15E.

All funds from your Restaurant's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. If we (or a third party) assume your Restaurant's management, you agree to pay us (in addition to the Royalty, Marketing Fund Contributions, and other amounts due to us or our affiliates) $750 per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to sixty (60) days after we assume management. During the term of this Agreement, we may adjust the amount of this daily fee from time to time by an amount that is commensurate with inflation.

If we (or a third party) assume your Restaurant's management, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Restaurant incurs, or to any of your creditors for any supplies, products, or other assets or services your Restaurant purchases, while we (or the third party) manage it.

Our decision to assume management of your Restaurant (or to appoint a third party to assume management of your Restaurant) will not affect our right to terminate this Agreement under Section 14B.

15. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

15A. PAYMENT OF AMOUNTS OWED TO US.

You agree to pay us the Royalties, Marketing Fund Contributions, interest, and all other amounts owed to us (and our affiliates), which accrued prior to termination or expiration, within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine, calculated as of the date of payment. You acknowledge that termination or expiration of this Agreement does not affect your liability for amounts you (or your owners or affiliates) owe any third-parties or creditors and we do not assume any such liabilities.

15B. LOST REVENUE DAMAGES.

If we terminate this Agreement because of your breach or if you terminate this Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties, and that the Marketing Fund and Local Advertising Cooperatives would have otherwise derived from your continued contributions to those funds, through the remainder of the term of this Agreement. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties, Marketing Fund Contributions and Local Advertising Cooperative Contributions that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (a) five years following the date of termination, or (b) the scheduled expiration of the term of this Agreement. For the purposes of this Section, Royalties, Marketing Fund Contributions and Local Advertising Cooperative Contributions will be calculated based on the average monthly Gross Sales of your Restaurant during the twelve (12) full calendar months immediately preceding the termination date; provided, that if as of the termination date, your Restaurant has not been operating for at least twelve (12) months, Royalties, Marketing Fund Contributions and Local Advertising Cooperative Contributions will be calculated based on the average monthly Gross Sales of all Restaurants operating under the Marks during the our fiscal year immediately preceding the termination date.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

15C. MARKS.

In the case of expiration, you must remove all signs containing any Mark and return to us or destroy all items, forms and materials containing any Mark or otherwise identifying or relating to a Restaurant on or before the date on which this Agreement expires. In the case of a termination, you must remove all signs containing any Mark and return to us or destroy all items, forms and materials containing any Mark or otherwise identifying or relating to a Restaurant within seven (7) days after the date this Agreement is terminated.

When this Agreement expires or is terminated:

(a) you (and your owners) may not directly or indirectly at any time or in any manner (except with other Restaurants you own and operate) identify yourself or any business as a current or former Restaurant or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Restaurant in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(b) you agree to take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(c) you agree to notify the telephone company and all telephone directory and internet directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the listing company to forward all calls made to your numbers to numbers we specify. You agree that, as between you and us, on termination or expiration, we have the sole right and interest in the telephone numbers and listings, and you appoint us as your attorney-in-fact to direct the telephone company to assign the same to us and to sign any required documents on your behalf;

(d) you agree to comply with all applicable laws in connection with the closure or de-identification of your Restaurant;

(e) immediately cease using any email address that is associated with a domain name we own or the Marks;

(f) if applicable, you agree to immediately (i) cease using or operating any Online Presence related to your Restaurant or the Marks, and (ii) take any action as may be required to disable such Online Presence, or transfer exclusive control and access of such Online Presence to us; and

(g) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

If you fail to take any of the actions (or refrain from taking any of the actions) described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Restaurant.

15D. CONFIDENTIAL & PERSONAL INFORMATION.

You agree that when this Agreement expires or is terminated you will immediately cease using any of our Confidential Information in any business or otherwise and return to us all copies of the Operations Manual and any other Confidential Information that we have loaned you. You also agree to comply with all of our directions for returning or disposing of Personal Information, in any form, in your possession or the possession of any of your employees. We may require you to certify in writing that you have returned or securely disposed of all Personal Information.

15E. OUR RIGHT TO PURCHASE YOUR RESTAURANT.

We have the option to purchase your Restaurant and the Premises (if you or one of your affiliates owns the Premises) upon the occurrence of a Termination Event (as defined below). We may exercise this option by giving you written notice within thirty (30) days after the date of the Termination Event. We have the unrestricted right to assign this option to purchase. If we purchase your Restaurant and/or the Premises, we are entitled to all customary warranties and representations in our asset purchase, including representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

If you lease the Premises from an unaffiliated lessor, or if we choose not to purchase the Premises from you (or one of your affiliates), you agree, at our election to (i) assign your Lease to us, (ii) enter into a sublease with us for the remainder of the Lease term on the same terms (including renewal options) as the Lease, or (iii) lease the Premises to us for an initial term of five (5) years with, at our option, up to three (3) additional terms of five (5) years each, on commercially reasonable terms.

We (or our assignee) will pay the purchase price for the Restaurant and/or Premises (calculated as described below) at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to purchase your Restaurant and/or the Premises. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you or your owners owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee):

(a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you;

(b) all of your Restaurant's licenses and permits which may be assigned or transferred; and

(c) the ownership interest or leasehold interest (as applicable) in the Premises and improvements or a lease assignment or lease or sublease, as applicable.

If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You and your owners further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our owners, officers, managers, employees, agents, successors and assigns.

A "**Termination Event**" occurs if, (i) you terminate this Agreement (other than in accordance with Section 14A), (ii) we terminate this Agreement for any reason, or (iii) the term of this Agreement (including any successor term) expires.

If we purchase your Restaurant upon a Termination Event, the purchase price for your Restaurant and the Premises will be their reasonable fair market value, provided that these items will not include any value for the rights granted by this Agreement, any goodwill attributable to our Marks, brand image, and other intellectual property, or any participation in the network of Restaurants. We may exclude from the assets purchased any Operating Assets and supplies that are not reasonably necessary (in function or quality) to your Restaurant's operation or that we have not approved as meeting System Standards, and the purchase price will reflect these exclusions.

If we and you cannot agree on fair market value, fair market value will be determined by one (1) independent accredited appraiser who will conduct an appraisal and, in doing so, be bound by the criteria for the purchase price described above. If we and you cannot agree on an independent appraiser, you will select one appraiser, we will select one appraiser, and these two appraisers will appoint the appraiser to determine the fair market value. You and we agree to select an appraiser within fifteen (15) days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then), and, if necessary, the two appraisers selected by you and us are obligated to appoint the actual appraiser within fifteen (15) days after the last of the two is selected. You and we will share equally the appraisers' fees and expenses. The appraiser must complete its appraisal within thirty (30) days after its appointment.

15F. COVENANT NOT TO COMPETE.

Upon termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration, neither you nor any of your owners (or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating at the Premises, within your Protected Territory, or within a ten (10) mile radius of your Protected Territory .

If any person restricted by this Section 15F fails to comply with these obligations as of the date of termination or expiration, the two (2) year restricted period for that person will commence on the date the person begins to comply with this Section 15F, which may be the date a court order is entered enforcing this provision.

You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 15F will not deprive you of your personal goodwill or ability to earn a living.

15G. NON-SOLICITATION AND NON-INTERFERENCE.

On termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15G begin to comply with this Section 15G, whichever is later, neither you nor any of your owners (or their immediate family members) will:

(a) recruit or hire any person who is then or was, within the immediately preceding twenty-four (24) months, employed by us, any of our affiliates, or one of our franchise owners without our consent or that of the relevant employer;

(2) solicit, interfere, or attempt to interfere with our or our affiliates' relationships with any customers, vendors, or consultants; or

(a) engage in any other activity that might injure the goodwill of the Marks and/or the Franchise System.

15H. CONTINUING OBLIGATIONS.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

16. <u>RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.</u>

16A. INDEPENDENT CONTRACTORS.

You and we understand and agree that each of us is an independent business and that you and we are and will be independent contractors. This Agreement does not create a fiduciary relationship between you and us, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously to all persons (including customers, suppliers, public officials, and Restaurant employees) as your Restaurant's owner, and indicate clearly that you operate your Restaurant separately and independently from our business operations. You agree to place notices of independent ownership on all interior and exterior signage, forms, business cards, stationery, advertising, and other materials that we may require from time to time. You may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in our name or on our behalf or represent that your and our relationship is anything other than franchisor and franchise owner.

We have no right or duty to direct your employees in the course of their employment for you. You are solely responsible for the terms and conditions of employment of your employees.

We will not be obligated for any damages to any person or property directly or indirectly arising out of your Restaurant's operation or the business you conduct under this Agreement.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied upon you or your Restaurant, due to the business you conduct. You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us (except for our income taxes).

16B. NO LIABILITY FOR ACTS OF OTHER PARTY.

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of your Restaurant's operation or the business you conduct under this Agreement.

16C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross revenue, income, property, or other taxes, whether levied on you or your Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16D. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective shareholders, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of your Restaurant's operation, the business you conduct under this Agreement, or your breach of this Agreement, including those alleged to be or found to have been caused by the Indemnified Party's gross negligence or willful misconduct, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction.

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

This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim for indemnity under this Section. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover under this Section.

17. ENFORCEMENT.

17A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if any part of this Agreement is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation for any reason (in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction), that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice of this Agreement's termination or of our refusal to enter into a successor franchise agreement, than this Agreement requires, or some other action that this Agreement does not require, or any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

17B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of ten (10) days' prior written notice.

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

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Marketing Fund Contributions due afterward.

17C. COSTS AND ATTORNEYS' FEES.

The prevailing party in any arbitration or litigation arising out of or relating to this Agreement shall be entitled to recover from the other party all damages, costs and expenses, including court costs and reasonable attorney's fees, incurred by the prevailing party in successfully enforcing any provision of this Agreement.

17D. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17E. ARBITRATION.

We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to:

(1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);

(2) our relationship with you;

(3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of

such agreements (including the validity and scope of the arbitration provision under this Section 17.E, which we and you acknowledge is to be determined by an arbitrator, not a court); or

(4) the Operations Manual and/or any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Scottsdale, Arizona). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Article 17, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) or brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief pursuant to Section 17I; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain; and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, you and we agree that:

A. production of electronic documents need only be from sources used in the ordinary course of business. No such documents shall be required to be produced from back-up servers, tapes or other media;

B. the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

C. the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

D. where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours. There are to be no speaking objections at the depositions, except to preserve privilege.

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

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section

17F. GOVERNING LAW.

ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT

GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY THE LAWS OF THE STATE OF ARIZONA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY STATE LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

17G. CONSENT TO JURISDICTION.

SUBJECT TO SECTION 17E ABOVE AND THE PROVISIONS BELOW, WE AND YOU (AND YOUR OWNERS) AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE COMMENCED IN THE STATE OR FEDERAL COURT CLOSEST TO OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, SCOTTSDALE, ARIZONA), AND WE AND YOU (AND EACH OWNER) IRREVOCABLY CONSENT TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, WE AND YOU (AND YOUR OWNERS) AGREE THAT ANY OF US MAY ENFORCE ANY ARBITRATION ORDERS AND AWARDS IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR YOUR RESTAURANT IS LOCATED.

17H. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 16D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

17I. INJUNCTIVE RELIEF.

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against conduct that threatens to injure or harm us, the Marks or the Franchise System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may obtain such injunctive relief. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

17J. BINDING EFFECT.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

17K. LIMITATIONS OF CLAIMS AND CLASS ACTION BAR.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. HOWEVER, THE PARTIES AGREE THAT, IN ORDER TO COMPLY WITH THIS PROVISION, EITHER PARTY MAY COMMENCE A JUDICIAL OR ARBITRATION PROCEEDING BEFORE A RELATED MEDIATION PROCEEDING IS DECLARED COMPLETED.

ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND A PROCEEDING BETWEEN US AND OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES) MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) OR BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN YOU AND US. NO PREVIOUS COURSE OF DEALING SHALL BE ADMISSIBLE TO EXPLAIN, MODIFY, OR CONTRADICT THE TERMS OF THIS AGREEMENT. NO IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING SHALL BE USED TO ALTER THE EXPRESS TERMS OF THIS AGREEMENT.

17L. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement which constitutes our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Restaurant. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term "**affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. The term "**control**" means the power to direct or cause the direction of management and policies. The use of the term "**including**" in this Agreement, means in each case "including, without limitation".

If two or more persons are at any time the owners of your Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to "**owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Restaurant or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement or your Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "**controlling ownership interest**" in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

The term "**person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The term "**your Restaurant**" includes all of the assets of the Restaurant you operate under this Agreement, including its revenue and the Lease.

18. DELEGATION OF PERFORMANCE.

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

19. NOTICES AND PAYMENTS.

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

(a) at the time delivered by hand;

(b) at the time delivered electronically and, in the case of the Royalty, Marketing Fund Contributions, and other amounts due, at the time we actually receive payment via the EFT Authorization;

(c) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or

(d) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Premises.

Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent.

20. BUSINESS JUDGMENT.

We retain the right to operate, develop and change the Franchise System and the products and services offered by Restaurants in any manner that is not specifically prohibited in this Agreement. Whenever we have reserved the right in this Agreement to take or refrain from taking any action, or to prohibit you from taking or refraining from any action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information then readily available to us and on our judgment of what is in our best interests, the best interests of our affiliates and/or the best interests of Restaurants as a whole at the time the decision is made, regardless of whether we could have made other reasonable, or even arguably preferable, alternative decisions and regardless of whether our decision or action promotes our interests, those of our affiliates or any other person or entity.

21. <u>EXECUTION</u>

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement and all other documents related to this Agreement may be executed by manual or electronic signature. Either party may rely on the receipt of a document executed or delivered electronically, as if an original had been received.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

GRABBAGREEN FRANCHISING, LLC,
an Arizona limited liability company

Sign:____________________________
Name:___________________________
Title:____________________________

DATED*:________________________
(*Effective Date of this Agreement)

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:___________________________

Title:____________________________

DATED:_________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
Signature

____
Print Name

DATED:_________________________

EXHIBIT A

TO THE FRANCHISE AGREEMENT

You and Your Owners

1. **Form of Owner**.

(a) You operate as a sole proprietorship: ___Yes ___ No

(b) You operate as a ______ corporation, _____ limited liability company, or ______ partnership (CHECK ONE). You were formed on __________________, under the laws of the State of _________________. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____________________ (INSERT ANY ASSUMED NAME OR DBA THAT YOU HAVE USED).

2. **Management**. The following is a list of your managers, directors, and officers, as applicable, as of the date of this Agreement:

Name	**Position(s) Held**
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

2. **Owners**. The following list includes the full name of each individual who is one of your owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

Owner's Name	**Percentage/Description of Interest**
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

3. **<u>Name and Address of Operating Partner</u>**.

(a) Name:____

(b) Postal Address:____
____

(c) E-mail Address:____

(d) Telephone Number:____

4. **<u>Name and Address of Designated Manage (if applicable)</u>**.

(a) Name:____

(b) Postal Address:____
____

(c) E-mail Address:____

(d) Telephone Number:____

EXHIBIT B

TO THE FRANCHISE AGREEMENT

PREMISES/PROTECTED TERRITORY

1. The Premises of your Restaurant will be located:

____

____

____

2. The Protected Territory consists of:

____

____

____

EXHIBIT C

TO THE FRANCHISE AGREEMENT

CONCURRENT MULTI-UNIT FRANCHISE OPENINGS

___ You have not executed any franchise agreements for Concurrent Multi-Unit Franchises

___ Concurrently with the execution of this Agreement, you executed [_____ (__)] franchise agreements for Concurrent Multi-Unit Franchises, which you agree to open in accordance with the following schedule:

1. First Restaurant: By the first anniversary of the Effective Date

2. Second Restaurant: Within ________ days of the Effective Date

EXHIBIT D

TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This "Agreement" is made and entered into as of ________, 20__, by and among ____________________ ("**Franchisee**"), **GRABBAGREEN FRANCHISING, LLC,** an Arizona limited liability company ("**Franchisor**"), and ________________________ ______, being [an employee of Franchisee who will have access to Confidential Information], [an officer], or [a director] or [general partner] or [managing member] or [a third party who will have access to Confidential Information] of Franchisee ("**Covenantor**").

1. PREAMBLES.

Franchisor has executed or intends to execute a "**Franchise Agreement**" with Franchisee under which Franchisor grants to Franchisee certain rights with regard to the operation of a Restaurant specializing in healthy food, juice and/or smoothies, and such other products and services items as Franchisor may authorize or direct from time to time (each referred to herein as a "**Restaurant**"). Before allowing Covenantor to have access to the Confidential Information and as a material term of the Franchise Agreement necessary to protect Franchisor's confidential know-how and distinctive systems, designs, decor, trade dress, specifications, standards and procedures authorized or required by Franchisor from time to time for use in the operation of Franchisee's Restaurant, and Franchisor's proprietary rights in and Franchisee's right to use the Confidential Information, Franchisor and Franchisee require that Covenantor enter into this Agreement.

As a condition of Covenantor's employment or continued employment with Franchisee or Covenantor's appointment as a director or officer of Franchisee, or Covenantor's receipt of other compensation from Franchisee and to induce Franchisor to enter into the Franchise Agreement, Covenantor agrees to enter into this Agreement. Due to the nature of Franchisor's and Franchisee's business, any use or disclosure of the Confidential Information other than in accordance with this Agreement will cause Franchisor and Franchisee substantial harm.

2. DEFINITIONS.

Certain terms that are capitalized in this Agreement are defined in this section or at the places they first appear.

A. THE TERM "**COMPETITIVE BUSINESS**" AS USED IN THIS AGREEMENT MEANS ANY BUSINESS (EXCLUDING ANY RESTAURANTS OPERATED UNDER A FRANCHISE AGREEMENT WITH FRANCHISOR OR ITS AFFILIATE) OPERATING, OR GRANTING, FRANCHISES OR LICENSES TO OTHERS TO OPERATE ANY ~~BUSINESS THAT (I) OFFERS MADE-TO-ORDER MEALS IN A FORMAT THAT ALLOWS CUSTOMERS TO CHOOSE AMONG~~

~~VARIOUS INGREDIENTS TO CREATE INDIVIDUAL MEAL OPTIONS (INCLUDING, BOWLS, SALADS, WRAPS, JUICES, AND SMOOTHIES), (II) IS MARKETED TO THE PUBLIC PRIMARILY AS A HEALTH FOOD OR HEALTHY ALTERNATIVE FOODSERVICE BUSINESS; AND/OR (III)~~RESTAURANT OR FOOD SERVICE BUSINESS OFFERING HEALTHY FOOD, JUICE AND/OR SMOOTHIES, OR ANY OTHER BUSINESS (INCLUDING RETAIL BUSINESSES) MATERIALLY ENGAGED IN OFFERING JUICE, HEALTHY FOOD AND/OR SMOOTHIES.

B. THE TERM "**CONFIDENTIAL INFORMATION**" AS USED IN THIS AGREEMENT MEANS CERTAIN CONFIDENTIAL AND PROPRIETARY INFORMATION RELATING TO THE DEVELOPMENT AND OPERATION OF THE RESTAURANTS, WHICH INCLUDES, BUT IS NOT LIMITED TO: (1) TRAINING AND OPERATIONS MATERIALS, INCLUDING THE OPERATIONS MANUAL; (2) THE SYSTEM STANDARDS AND OTHER METHODS, FORMATS, SPECIFICATIONS, STANDARDS, SYSTEMS, PROCEDURES, SALES AND MARKETING TECHNIQUES, KNOWLEDGE, AND EXPERIENCE USED IN DEVELOPING AND OPERATING RESTAURANTS; (3) MARKET RESEARCH, PROMOTIONAL, MARKETING AND ADVERTISING STRATEGIES AND PROGRAMS FOR RESTAURANTS; (4) STRATEGIC PLANS, INCLUDING EXPANSION STRATEGIES AND TARGETED DEMOGRAPHICS; (5) KNOWLEDGE OF, SPECIFICATIONS FOR AND SUPPLIERS OF, AND METHODS OF ORDERING, OPERATING ASSETS AND OTHER PRODUCTS AND SUPPLIES; (6) ANY COMPUTER SOFTWARE OR SIMILAR TECHNOLOGY WHICH IS PROPRIETARY TO FRANCHISOR OR THE FRANCHISE SYSTEM, INCLUDING DIGITAL PASSWORDS AND IDENTIFICATIONS AND ANY SOURCE CODE OF, AND DATA, REPORTS, AND OTHER PRINTED MATERIALS GENERATED BY, THE SOFTWARE OR SIMILAR TECHNOLOGY; (7) KNOWLEDGE OF THE OPERATING RESULTS AND FINANCIAL PERFORMANCE OF ANY RESTAURANT; (8) INFORMATION GENERATED BY, OR USED OR DEVELOPED IN, ANY RESTAURANT'S OPERATION, INCLUDING INFORMATION RELATING TO CUSTOMERS SUCH AS CUSTOMER NAMES, ADDRESSES, TELEPHONE NUMBERS, E-MAIL ADDRESSES, CREDIT CARD INFORMATION, BUYING HABITS, PREFERENCES, DEMOGRAPHIC INFORMATION AND RELATED INFORMATION, AND ANY OTHER INFORMATION CONTAINED FROM TIME TO TIME IN THE COMPUTER SYSTEM OF ANY RESTAURANT; (9) ANY OTHER INFORMATION DESIGNATED AS CONFIDENTIAL OR PROPRIETARY BY FRANCHISOR.

3. PROTECTION OF CONFIDENTIAL INFORMATION.

Covenantor agrees to use the Confidential Information only to the extent reasonably necessary to perform his or her duties on behalf of Franchisee taking into consideration the confidential nature of the Confidential Information. Covenantor may disclose the Confidential Information only as agent for Franchisee. Covenantor acknowledges and agrees that neither Covenantor nor any other person or entity will acquire any interest in or right to use the

Confidential Information under this Agreement or otherwise other than the right to utilize it as authorized in this Agreement and that the unauthorized use or duplication of the Confidential Information, including, without limitation, in connection with any other business would be detrimental to Franchisor and Franchisee and would constitute a breach of Covenantor's obligations of confidentiality and an unfair method of competition with Franchisor and/or other Restaurants owned by Franchisor or franchisees.

Covenantor acknowledges and agrees that the Confidential Information is confidential to and a valuable asset of Franchisor. The Confidential Information will be disclosed to Covenantor solely on the condition that Covenantor agrees to the terms and conditions of this Agreement. Covenantor therefore agrees that during the term of the Franchise Agreement and thereafter, he or she: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed or in written form; and (d) will adopt and implement all reasonable procedures prescribed from time to time by Franchisor and Franchisee to prevent unauthorized use or disclosure of or access to the Confidential Information.

Notwithstanding anything to the contrary contained in this Agreement, the restrictions on Covenantor do not apply to (a) disclosure or use of information, methods, or techniques which are generally known and used in the industry (as long as the availability is not because of a disclosure by Covenantor or Covenantor's agents, and such disclosure or use is not otherwise prohibited by this Agreement), provided that Covenantor has first given Franchisor written notice of his or her intended disclosure and/or use; and (b) disclosure of the Confidential Information in legal proceedings when Covenantor is legally required to disclose it, provided that Covenantor has first given Franchisor the opportunity to obtain an appropriate legal protective order or other assurance satisfactory to Franchisor that the information required to be disclosed will be treated confidentially.

4. IN-TERM RESTRICTIVE COVENANT.

Covenantor acknowledges and agrees that Franchisor and Franchisee would be unable to protect the Confidential Information against unauthorized use or disclosure and Franchisor would be unable to achieve a free exchange of ideas and information among Restaurants if persons authorized to use the Confidential Information were permitted to engage in, have ownership interests in or perform services for Competitive Businesses. Covenantor therefore agrees that for as long as Covenantor is (a) a director, officer, general partner, or managing member of Franchisee, (b) an employee of Franchisee who will have access to Confidential Information, or (c) a third party who has been given access to Confidential Information by the Franchisee, neither Covenantor nor Covenantor's spouse shall (i) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business; or (ii) perform services as a director, officer, member, employee, manager, consultant, representative, agent or otherwise for any Competitive Business. Covenantor further acknowledges that the restrictions contained in this Section will not hinder his or her activities or those of members of his or her immediate family under this Agreement or in general.

5. POST-TERM RESTRICTIVE COVENANTS

Upon the first to occur of: (a) termination or expiration without renewal of the Franchise Agreement; (b) the date as of which Covenantor is neither (i) a director, officer, general partner or managing member of Franchisee or (ii) an employee of Franchisee who will have access to Confidential Information; or (c) termination or expiration without renewal of the agreement in which Covenantor provides goods or services to Franchisee (each of these events is referred to as a "**Termination Event**"), Covenantor agrees that for a period of two (2) years commencing on the effective date of a Termination Event, neither Covenantor nor Covenantor's spouse shall have any direct or indirect interest as a disclosed or beneficial owner in, or assist or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for, a Competitive Business located or operating within a ten (10) mile radius of the Restaurant's premises.

6. SURRENDER OF DOCUMENTS.

Covenantor agrees that as of the effective date of a Termination Event Covenantor shall immediately cease to use the Confidential Information disclosed to or otherwise learned or acquired by Covenantor and return to Franchisee or to Franchisor if directed by Franchisor all copies of the Confidential Information loaned or made available to Covenantor.

7. TRADE SECRETS.

Notwithstanding any provisions in this agreement or company policy applicable to the unauthorized use or disclosure of trade secrets, Covenantor is hereby notified that, pursuant to the Defend Trade Secrets Act of 2016, 18 U.S.C. § 1833(b), an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Further, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney and use the trade secret information in the court proceeding if the individual: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

8. COSTS AND ATTORNEYS' FEES.

In the event that Franchisor or Franchisee is required to enforce this Agreement in an action against Covenantor, Covenantor shall reimburse Franchisor and/or Franchisee if it/they prevail (whether or not awarded a money judgment) for its/their reasonable attorneys' fees, whether such fees are incurred before, during or after any trial or administrative proceeding or on appeal.

9. WAIVER.

Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right or remedy at any other time or times.

10. SEVERABILITY.

Each section, paragraph, term and provision of this Agreement and any portion thereof shall be considered severable and if for any reason any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of or have any other effect upon such other portions of this Agreement as may remain otherwise intelligible. Such other portions shall continue to be given full force and effect and bind the parties hereto. Any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires if Covenantor is a party thereto or upon Covenantor's receipt of a notice from Franchisor that it will not enforce the section, paragraph, term or provision in question.

11. RIGHTS OF PARTIES ARE CUMULATIVE.

The rights of the parties hereunder are cumulative and no exercise or enforcement by a party hereto of any right or remedy granted hereunder shall preclude the exercise or enforcement by them of any other right or remedy hereunder or which they are entitled by law to enforce.

12. BENEFIT.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. In the event Franchisor does not execute this Agreement (regardless of the reason) Franchisor shall be deemed a third party beneficiary of this Agreement and shall have the right to enforce this Agreement directly.

13. EFFECTIVENESS.

This Agreement shall be enforceable and effective when signed by Covenantor regardless of whether and when Franchisor or Franchisee signs this Agreement.

14. GOVERNING LAW.

This Agreement and the relationship between the parties hereto shall be construed and governed in accordance with the internal laws of the State of Arizona without regard to its conflict of laws principles.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day, month, and year first set forth below.

INDIVIDUAL:

____
(signature)

Name: ___________________________ , an individual
(please print your name in the blank provided above)

Date: ____________________________________

FRANCHISEE:

____
(d/b/a _____________)

Sign: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

EXHIBIT E

TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("GUARANTY") is given by the persons indicated below who have executed this Guaranty (each a "Guarantor") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") by Grabbagreen Franchising, LLC. (the "Franchisor"), and ______ ______________________________ ("Franchisee"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability. At our request, Guarantor provides the updated financial information to us as may be reasonably necessary to demonstrate his or her ability to satisfy the obligations of the franchise owners under the Agreement.

Each Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other Guarantors;

(b) Guarantor shall render any payment or performance required under the Agreement on demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against any Guarantor and/or Franchisee, jointly and severally, including by proceeding against Guarantor, without having commenced any action, or having obtained any judgment against any other Guarantor or Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all costs and expenses (including attorneys' fees) incurred by Franchisor or any of its affiliates in connection with the enforcement of this Guaranty, including any collection or attempt to collect amounts due, or any negotiations relative to the obligations hereby guaranteed;

(f) No liability under this Guaranty shall be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any Guarantor, including 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 the term of the Agreement; and

(g) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement.

Guarantor agrees to be personally bound by the dispute resolution provisions contained in Article 17 of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in Section 17E of the Agreement in accordance with its terms.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has affixed his signature to be effective as of the Effective Date.

GUARANTOR(S)	SPOUSE(S)
Name:________________ Sign: ________________ Address: ________________ ________________ ________________	Name:________________ Sign: ________________ Address: ________________ ________________ ________________
Name:________________ Sign: ________________ Address: ________________ ________________ ________________	Name:________________ Sign: ________________ Address: ________________ ________________ ________________

EXHIBIT F

TO THE FRANCHISE AGREEMENT

RIDER TO LEASE AGREEMENT

This Rider and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the "**Lease**"), between ________________ ("**Tenant**") and ________________________ ("**Landlord**"), for the real property described therein (the "**Premises**"). The provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Acknowledgement of Franchise Relationship. Landlord acknowledges that Tenant intends to operate a grabbagreen restaurant (a "**Restaurant**") in the Premises, and that Tenant's rights to operate a Restaurant and to use the grabbagreen name, trademarks and service marks (the "**Marks**") are solely pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and Grabbagreen Franchising, LLC ("**Franchisor**"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Landlord agrees not to take an action that would prohibit Tenant from operating the Restaurant, as contemplated by the Franchise Agreement, at the Premises.

2. Consent to Collateral Assignment to Franchisor. Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, (ii) Franchisor's succeeding to Tenant's interest in the Lease as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord agrees that to the extent Franchisor becomes Tenant, for howsoever brief a period, upon assumption of lease pursuant to this provision, that simultaneously with any subsequent assignment to another party, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment; provided, that neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor, unless otherwise agreed by Landlord.

3. Tenant's Signage. Landlord agrees to allow Tenant to use Franchisor's standard interior and exterior signage and designs to the maximum extent permitted by local governmental authorities. Tenant shall be provided, at Tenant's sole cost and expense, with a panel on any pylon/monument/directory sign for the development in which the Premises is located, and shall be permitted to install a standard sign thereon approved by Franchisor, including without limitation Franchisor's logo. Landlord hereby grants and approves Tenant the right to display the Marks at the Premises, subject only to the provisions of applicable law.

4. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing on receipt thereof by Franchisor, Franchisor shall have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default to cure such defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows: Grabbagreen Franchising, LLC, 10789 North 90th Street. Scottsdale, Arizona 85260 .

5. Non-disturbance from Mortgage Lenders. It shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under this Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Lease and the Franchise Agreement, beyond an applicable grace or cure period provided therein.

6. Fixtures and Signage. Any lien of Landlord in Tenant's trade fixtures, 'trade dress', signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items as described in the Franchise Agreement. On request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

7. Third Party Beneficiary. Franchisor is a third party beneficiary of the terms of this Rider, or any other terms of the Lease applicable to Franchisor's rights under the Lease, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.

8. Franchisor Right to Enter. Landlord acknowledges and agrees that Franchisor or its designee may enter the Premises for all purposes permitted under the terms of the Franchise Agreement, including to inspect the Premises and the Restaurant's operations, to manage the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the location), or to remove any trade fixtures or signage upon termination or expiration of the Franchise Agreement. If Franchisor enters the Premises for any such purposes, it will do so without assuming any liability under the Lease.

9. Amendments. Tenant agrees that neither the Lease nor this Rider may be amended by the parties thereto without the prior written consent of Franchisor.

10. Execution. This Rider may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement with the Lease. This Rider and all other documents related to this Rider may be executed by manual or electronic signature.

[SIGNATURE PAGE TO FOLLOW]

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: ____________________	**TENANT**: ______________________
By: ____________________	By:____________________
Name: ________________________	Name: ________________________
Title: __________________________	Title: __________________________

EXHIBIT C

TABLE OF CONTENTS TO OPERATIONS MANUAL

EXHIBIT D

LIST OF FRANCHISEES
AS OF DECEMBER 31, 2016

GRABBAGREEN FRANCHISING, LLC
FRANCHISEES AS OF DECEMBER 31, 2016

OPENED AND OPERATING

	Franchisee	Address	City	State	Zip	Phone
1.	Green Cherry Hills, LLC	4820 Hampden Ave.	Denver	CO	80222	(303) 209-9889
2.	Horton Harbour, LLC	405 W. Neider Ave.	Coeur d' Alene	ID	83815	(208) 277-9700
3.	Trindel Investments, Inc.	431 Pisgah Church Rd.	Greensboro	NC	27401	(336) 365-3322
4.	Phillips Investment Ventures, LLC	4421 Six Forks Rd., #103B	Raleigh	NC	27609	(919)326-7799
5.	Beingreen, Inc.[1]	98 Halsey St.	Newark	NJ	07102	(973) 735-6700
6.	Deerfield Hospitality, LLC	2000 Meridian Blvd.	Franklin	TN	37067	(615) 497-7178
7.	3MUnited LLC	3417 Gaston Avenue	Dallas	TX	75246	(972) 232-6000
8.	Team Kelly Enterprise LLC	2802 W. Stan Schlueter Lp	Killeen	TX	76549	(254) 251-3500

1. Since December 31, 2016, these agreements have been terminated.

SIGNED AGREEMENTS BUT NOT OPERATIONAL

	Franchisee	Address[1]	City	State	Phone
1.	Healthy Living Holdings, Inc.	South Gilbert Road and 202 Santan Freeway	Gilbert	AZ	480.239.4162
2.	Strong & Healthy, LLC	TBD	Phoenix	AZ	480.440.1182
3.	Strong & Healthy, LLC	TBD	Phoenix	AZ	480.440.1182
4.	Strong & Healthy, LLC	TBD	Scottsdale	AZ	480.440.1182
5.	Midwest Valley, L.L.C.	Rural Rd. & University Rd.	Tempe	AZ	262.988.6001
6.	Zachary Burke and Matt Burke	TBD	Beachside Del Mar	CA	760.500.5442
7.	BLBT Grabbs Inc.	TBD	Diamond Bar	CA	909.709.1129
8.	Gregory Ferrell	TBD	Encinitas	CA	760.497.1826
9.	Nutrielements, LLC	TBD	Oxnard	CA	805.798.0945
10.	Ehab Monsour	29880 Santa Margarita Parkway	Rancho Santo Margarita	CA	310.951.1197
11.	Nutrielements, LLC	TBD	Ventura County	CA	805.798.0945
12.	Makton, Inc.	W. 120th & Sheridan	Broomfield	CO	303.689.7363
13.	Green Cherry Hills, LLC	Broadway & Highlands Ranch Pkwy	Denver	CO	303.209.9889
14.	Green Cherry Hills, LLC	Colorado Blvd & 9th Avenue	Denver	CO	303.209.9889
15.	Green Cherry Hills, LLC	Colorado Blvd & Mississippi Avenue	Denver	CO	303.209.9889
16.	Green Cherry Hills, LLC	Interstate-70 & Quebec Street	Denver	CO	303.209.9889
17.	Verdure, LLC	Denver, Colorado	Denver	CO	303.523.4380
18.	Team Jepp of Riverside, LLC	Riverside Ave. and Forest Street	Jacksonville	FL	904.501.6686
19.	Team Jepp, Inc.	Town Center Parkway & Gate Parkway	Jacksonville	FL	904.501.6686
20.	Team Jepp, Inc.	J. Turner Butler Blvd. and 3rd Street	Jacksonville	FL	904.501.6686
21.	GFG Buckhead, LLC	Peachtree Rd. NE and Piedmont Rd. NE	Atlanta	GA	770.616.6500
22.	GFG Midtown, LLC	Peachtree Rd. NE and 10th St. NE	Atlanta	GA	770.616.6500

	Franchisee	Address[1]	City	State	Phone
23.	GFG Perimeter, LLC	Peachtree-Dunwoody Road and Hammond Drive NE	Atlanta	GA	770.616.6500
24.	Horton Harbour, LLC	Coeur d'Alene, Idaho	Coeur d'Alene	ID	208.660.1983
25.	Zoom Healthy, Inc.	Hazleton Rd. & France Ave	Edina	MN	612.670.1254
26.	Zoom Healthy, Inc.	Miles Grand Ave. & Victoria St.	Edina	MN	612.670.1254
27.	GoGo Green, Inc.	Main Street and Elm Creek Boulevard	Lane North-West Andover	MN	612.715.0212
28.	Phillips Investment Ventures, LLC	Cary Parkway & NC-54/Capel Hill Rd.	Cary	NC	919.796.5692
29.	JNZR Enterprises, LLC	4400 Sharon Road	Charlotte	NC	704.338.2530
30.	JNZR Enterprises, LLC	11324 N. Community House Road	Charlotte	NC	704.338.2530
31.	JNZR Enterprises, LLC	210 Trade Street	Charlotte	NC	704.338.2530
32.	JNZR Enterprises, LLC	1231 East Boulevard	Charlotte	NC	704.338.2530
33.	JNZR Enterprises, LLC	14136 Rivergate Parkway	Charlotte	NC	704.338.2530
34.	G & G York, LLC	TBD	York County	PA	717.495.3665
35.	G & G York, LLC	TBD	York County	PA	717.495.3665
36.	Deerfield Hospitality, LLC	Franklin Road & Old Hickory Road	Brentwood	TN	615.497.7178
37.	Healthy Memphis, LLC	TBD	Memphis	TN	901.413.9691
38.	Healthy Memphis, LLC	TBD	Memphis	TN	901.413.9691
39.	Deerfield Hospitality, LLC	Woodmont Blvd. & Harding Road	Nashville	TN	615.497.7178
40.	Deerfield Hospitality, LLC	Broadway and 4th Avenue	Nashville	TN	615.497.7178
41.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
42.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
43.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
44.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
45.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
46.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
47.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
48.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
49.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
50.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
51.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
52.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
53.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
54.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
55.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
56.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
57.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
58.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
59.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
60.	Prometheus Worldwide LLC	TBD	Dallas/Fort Worth	TX	860.882.3907
61.	Marivelheidi, LLC[2]	Main Street and McKinney Street	Houston	TX	832.326.2826
62.	Marivelheidi, LLC[2]	Post Oak and San Felipe	Houston	TX	832.326.2826
63.	Marivelheidi, LLC[2]	I-10 W and Town & Country Blvd	Houston	TX	832.326.2826

	Franchisee	Address[1]	City	State	Phone
64.	3MUnited, LLC	W Spring Creek Pkwy & Parkwood Blvd	Plano	TX	713.304.2232
65.	3MUnited, LLC	Alma Dr and W Plano Pkwy	Plano	TX	713.304.2232
66.	Team Kelly Enterprise LLC	University Blvd. & Sunrise Blvd	Round Rock	TX	254.251.3500

1. The location of the Premises may not have been chosen yet. In such case, we sometimes agree to a market area or intersection where the franchisee must locate premises, as described above for such units.
2. Since December 31, 2016, these agreements have been terminated.

FRANCHISEES WHO LEFT THE SYSTEM; HAVE NOT COMMUNICATED WITH US IN 10 WEEKS

	Franchisee	Address	City	State	Phone
1.	Marivelheidi, LLC[1]	Main Street and McKinney Street	Houston	TX	832.326.2826
2.	Marivelheidi, LLC[1]	Post Oak and San Felipe	Houston	TX	832.326.2826
3.	Marivelheidi, LLC[1]	I-10 W and Town & Country Blvd	Houston	TX	832.326.2826
4.	Beingreen, Inc.[1]	98 Halsey St.	Newark	NJ	973.735.6700

1. Since December 31, 2016, these agreements have been terminated.

EXHIBIT E

FINANCIAL STATEMENTS

GRABBAGREEN FRANCHISING LLC

FINANCIAL STATEMENTS

UNAUDITED

FOR THE PERIOD ENDED

AUGUST 31, 2017

TERESA L MILLS CPA PC
Certified Public Accountant
550 W Baseline Rd #102-426
Mesa AZ 85210
Phone (319) 361-2362

Grabbagreen Franchising LLC
Balance Sheet - Unaudited
As of August 31, 2017

		Aug 31, 17
ASSETS		
Current Assets		
Checking/Savings		
1000 · Cash in Bank		
1010 · Cash in Bank-Western (8953)	21,098.90	
1015 · Cash in Bank-Chase (2096)	131,529.53	
1022 · Cash in Bank-Marketing Escrow	3,981.92	
Total 1000 · Cash in Bank		156,610.35
Total Checking/Savings		156,610.35
Accounts Receivable		
1100 · Accounts Receivable		700.00
Total Accounts Receivable		700.00
Other Current Assets		
1101 · Royalties Receivable		7,760.12
1175 · Prepaid Expenses		188.76
1200 · Accrued Expenses		199,264.78
1205 · Franch Fees Receivable		70,000.00
1210 · Note Receivable - Area Rep		30,000.00
Total Other Current Assets		307,213.66
Total Current Assets		464,524.01
Other Assets		
1510 · Notes Receivable - Area Rep		
1520 · Less Current Portion	(30,000.00)	
1510 · Notes Receivable - Area Rep - Other	309,015.15	
Total 1510 · Notes Receivable - Area Rep		279,015.15
1600 · Intangible Property		24,000.00
1699 · Accumulated Amortization		(17,333.33)
1800 · Security Deposit		2,072.00
Total Other Assets		287,753.82
TOTAL ASSETS		**752,277.83**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable - General		20,259.95
Total Accounts Payable		20,259.95
Other Current Liabilities		
2005 · Gift Cards Payable		21,098.90
2022 · Marketing Fund		3,981.92
2105 · Due to Keely Newman		2,328.91
2150 · Payroll Liabilities		
2175 · Accrued Wages	6,918.02	
2180 · Accrued Paid Time Off	951.88	
2150 · Payroll Liabilities - Other	294.00	
Total 2150 · Payroll Liabilities		8,163.90
2205 · Deferred Franchise Revenue		271,033.33
2210 · Deferred Area Rep Revenue		36,998.64
Total Other Current Liabilities		343,605.60
Total Current Liabilities		363,865.55

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

Grabbagreen Franchising LLC
Balance Sheet - Unaudited
As of August 31, 2017

	Aug 31, 17
Long Term Liabilities	
2505 · Deferred Franchise Revenue - LT	1,079,133.34
2510 · Deferred Area Rep Revenue - LT	568,382.73
Total Long Term Liabilities	1,647,516.07
Total Liabilities	2,011,381.62
Equity	
3000 · Capital Account	(1,219,042.77)
3100 · Member Distributions	(212,583.50)
Net Income	172,522.48
Total Equity	(1,259,103.79)
TOTAL LIABILITIES & EQUITY	**752,277.83**

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

Grabbagreen Franchising LLC
Profit & Loss - Unaudited
January through August 2017

	Jan - Aug 17
Ordinary Income/Expense	
Income	
4000 · Royalty Revenue	
4001 · Royalties - Non AR Stores	124,249.96
4002 · Royalties - AR Stores	164,465.56
4004 · Royalties - Foundation	6,634.63
Total 4000 · Royalty Revenue	295,350.15
4010 · Franchise Fee Revenue	
4015 · Franchise Fees	387,333.33
Total 4010 · Franchise Fee Revenue	387,333.33
4050 · Area Representative Revenue	
4055 · Area Rep Contract Revenue	32,346.40
Total 4050 · Area Representative Revenue	32,346.40
4060 · Technology Fee	2,429.56
Total Income	717,459.44
Cost of Goods Sold	
5000 · Royalty Commissions	
5002 · Area Representative Commission	61,878.97
Total 5000 · Royalty Commissions	61,878.97
5010 · Franchise Costs	
5015 · Legal & Document Costs	21,502.10
5020 · Area Representative Fee	40,000.00
5010 · Franchise Costs - Other	0.00
Total 5010 · Franchise Costs	61,502.10
Total COGS	123,381.07
Gross Profit	594,078.37
Expense	
6000 · Salaries & Wages	
6001 · Salaries & Wages - Officers	0.00
6005 · Salaries & Wages - Base Salary	165,757.70
6006 · Salaries & Wages - PTO	4,126.55
Total 6000 · Salaries & Wages	169,884.25
6010 · Salaries & Wages - Payroll Tax	13,619.88
6013 · Employee Benefits	
6011 · Guaranteed Payment - Health	4,572.00
6012 · Employee Benefit - Health	5,902.21
Total 6013 · Employee Benefits	10,474.21
6014 · Workers Compensation	574.00
6015 · Rep & Alterations-Franchises	2,375.78
6020 · Rent Expense	12,699.30
6025 · Utilities	1,689.34
6030 · Telecommunications	3,602.47
6040 · Repairs & Maintenance	9.74
6050 · License & Permits	2,714.50
6055 · Advertising and Promotion	2,483.08
6060 · Website and IT Development	23,653.46
6100 · Bank Service Charges	305.75
6105 · Merchant Fees	28.75
6110 · Computer and Internet Expenses	2,300.77
6115 · Software Fees	2,405.07
6125 · Education & Training	11,479.85
6127 · Quality Control	796.69

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

Grabbagreen Franchising LLC
Profit & Loss - Unaudited
January through August 2017

		Jan - Aug 17
6135 · Management Fees		12,000.00
6140 · Consulting/Outside Services		19,530.68
6145 · Professional Fees		
6150 · Accounting	29,517.00	
6155 · Legal	38,591.17	
6160 · Payroll Processing	309.25	
Total 6145 · Professional Fees		68,417.42
6170 · Office Supplies		802.74
6172 · Postage & Delivery		536.65
6175 · Small Furnishings and Equipment		13,836.83
6180 · Research and Development		129.81
6200 · Travel Expense		
6205 · Travel - Sales & Admin	21,457.57	
6210 · Travel - Contracts	3,078.36	
6215 · Travel - Store Opening	18,551.15	
6220 · Travel - Quality Control/Brand	5,165.48	
Total 6200 · Travel Expense		48,252.56
6300 · Meals and Entertainment		
6305 · Meals - Sales & Admin	6,412.99	
6310 · Meals - Contract	430.99	
6315 · Meals - Store Opening	2,560.16	
6320 · Meals - Quality Control/Brand	572.55	
6390 · Meals - Company Events	268.12	
Total 6300 · Meals and Entertainment		10,244.81
6500 · Automobile Expense		3,039.78
6505 · Lease Expense		13,839.50
66000 · Payroll Expenses		0.00
Total Expense		451,727.67
Net Ordinary Income		142,350.70
Other Income/Expense		
Other Income		
7000 · Interest Income		1,008.50
7100 · Other Income		29,396.58
7200 · Spiffs		5,100.00
Total Other Income		35,505.08
Other Expense		
8005 · Amortization Expense		5,333.30
Total Other Expense		5,333.30
Net Other Income		30,171.78
Net Income		**172,522.48**

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

grabbagreen®

GRABBAGREEN FRANCHISING, LLC

Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015

EKS&H
AUDIT | TAX | CONSULTING

GRABBAGREEN FRANCHISING, LLC

Table of Contents

EKS&H
AUDIT | TAX | CONSULTING

7979 E. Tufts Avenue, Suite 400
Denver, Colorado 80237-2521
P: 303-740-9400
F: 303-740-9009
www.EKSH.com

INDEPENDENT AUDITORS' REPORT

To the Member
Grabbagreen Franchising, LLC
Scottsdale, Arizona

We have audited the accompanying financial statements of Grabbagreen Franchising, LLC, which are comprised of the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, changes in stockholders' equity (deficit) and member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grabbagreen Franchising, LLC as of December 31, 2016 and 2015, 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.

EKS+H LLP

EKS&H LLLP

March 23, 2017
Denver, Colorado

GRABBAGREEN FRANCHISING, LLC

Balance Sheets

	December 31, 2016	December 31, 2015
Assets		
Current assets		
Cash	$ 232,332	$ 217,602
Accounts receivable, net	89,376	96,497
Due from affiliate	53,934	-
Notes receivable, current portion	30,000	48,363
Deferred franchise costs, current portion	108,860	126,021
Other current assets	12,094	-
Total current assets	526,596	488,483
Non-current assets		
Notes receivable, less current portion	94,194	357,702
Deferred franchise costs, less current portion	89,423	-
FDD costs, net	12,000	20,000
Other long-term assets	847	-
Total non-current assets	196,464	377,702
Total assets	$ 723,060	$ 866,185
Liabilities and Member's Deficit		
Current liabilities		
Accounts payable	$ 36,620	$ 60,035
Accrued expenses	19,697	243,062
Deferred revenue, current portion	697,388	148,174
Total current liabilities	753,705	451,271
Non-current liabilities		
Deferred franchise revenue, less current portion	1,188,397	1,009,608
Total liabilities	1,942,102	1,460,879
Member's deficit	(1,219,042)	(594,694)
Total liabilities and member's deficit	$ 723,060	$ 866,185

See notes to financial statements.

GRABBAGREEN FRANCHISING, LLC

Statements of Operations

	For the Years Ended December 31, 2016	For the Years Ended December 31, 2015
Revenues		
Franchise fees	$ 241,433	$ 16,339
Royalties	40,952	-
Marketing fees	11,000	-
Total revenues	293,385	16,339
Operating expenses		
Franchise-related costs	95,147	878
Payroll and related	275,632	504,555
General and administrative	465,584	132,586
Total operating expenses	836,363	638,019
Loss from operations	(542,978)	(621,680)
Other income	8,527	6,941
Net loss	$ (534,451)	$ (614,739)

See notes to financial statements.

GRABBAGREEN FRANCHISING, LLC

Statement of Changes in Stockholders' Equity (Deficit) and Member's Equity (Deficit)
For the Years Ended December 31, 2016 and 2015

	Common Stock		Retained	Total Stockholders'	Total Member's
	Shares	Amount	Earnings	Equity (Deficit)	Equity (Deficit)
Balance - December 31, 2014	-	$ -	$ -	$ -	$ -
Issuance of common stock	9,600,000	10,000	-	10,000	-
Redemption of common stock	(9,600,000)	(10,000)	-	(10,000)	-
Issuance of common stock	4,459,000	45	-	45	-
Contributions	-	-	20,000	20,000	-
Net loss	-	-	(614,739)	(614,739)	-
Conversion to LLC	(4,459,000)	(45)	594,739	594,694	(594,694)
Balance - December 31, 2015	-	-	-	-	(594,694)
Distributions	-	-	-	-	(89,897)
Net loss	-	-	-	-	(534,451)
Balance - December 31, 2016	-	$ -	$ -	$ -	$ (1,219,042)

See notes to financial statements.

GRABBAGREEN FRANCHISING, LLC

Statements of Cash Flows

	For the Years Ended December 31, 2016	For the Years Ended December 31, 2015
Cash flows from operating activities		
Net loss	$ (534,451)	$ (614,739)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization	8,000	4,000
Wages waived	(217,859)	-
Changes in assets and liabilities		
Accounts receivable	7,121	(96,497)
Deferred franchise costs	(72,262)	(126,021)
Other assets	(12,941)	-
Accounts payable	(23,415)	60,035
Accrued expenses	(5,506)	243,062
Deferred revenue	955,124	721,158
	638,262	805,737
Net cash provided by operating activities	103,811	190,998
Cash flows from investing activities		
Payments on note receivable	54,750	30,559
Payment of FDD costs	-	(24,000)
Due from affiliate	(53,934)	-
Net cash provided by investing activities	816	6,559
Cash flows from financing activities		
Contributions	-	20,000
Distributions	(89,897)	-
Issuance of common stock	-	45
Net cash (used in) provided by financing activities	(89,897)	20,045
Net increase in cash	14,730	217,602
Cash - beginning of year	217,602	-
Cash - end of year	$ 232,332	$ 217,602

Supplemental disclosure of non-cash activity:

During the year ended December 31, 2015, the Company entered into notes receivable from franchisees totaling $436,624.

During the year ended December 31, 2016, management wrote off a note receivable, which was determined to be uncollectible from a franchisee, totaling $270,497 less applied imputed interest of $43,376 and deferred franchise revenue of $227,121.

See notes to financial statements.

Note 1 - Description of Business and Summary of Significant Accounting Policies

Grabbagreen Franchising, Inc. (the "Company") was organized as a corporation in the state of Arizona on September 22, 2014 (inception). On December 31, 2015, prior to filing its initial tax returns, the Company reformed as a limited liability company. On October 27, 2016, the members of the Company transferred 100% ownership interests to Eat Clean Holdings LLC (the "Parent") in exchange for a simultaneous distribution of ownership interests and contribution from the Parent (the "Equity Exchange Agreement") and merged with GWBB LLC in connection with the Equity Exchange Agreement. As a result of this transaction, the Company became a wholly owned subsidiary of the Parent. The Company is primarily engaged in the business of franchising restaurants in the United States.

At December 31, 2016 and 2015, the Company had four area representative agreements covering six states and had four and zero franchises opened in the territories of such area representatives, respectively. Four area representative agreements were sold during the year ended December 31, 2015.

The following table summarizes the number of stores in operation:

	December 31,	
	2016	2015
Franchises at the beginning of the year	-	-
Franchises opened	8	-
Franchises closed	-	-
Franchises at the end of the year	8	-
Franchises sold but not yet in operation	66	20
Affiliate-owned stores in operation*	4	3

*For all periods presented, the Company has waived its right to franchise fees from affiliate-owned franchisees.

Cash

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. There were no cash equivalents as of December 31, 2016 and 2015.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 differ from those estimates.

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

The Company grants credit in the normal course of business to franchisees related to the collection of royalties and other operating revenues. The Company periodically performs credit analysis and monitors the financial condition of its franchisees to reduce credit risk. The Company performs ongoing credit evaluations of its franchisees but generally does not require collateral to support accounts receivable.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable primarily consist of franchise fees receivable from franchisees. The Company considers a reserve for doubtful accounts based on the creditworthiness of franchisees. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. As of December 31, 2016 and 2015, the Company had an allowance of $20,000 and $0, respectively.

FDD Costs

FDD costs consist of capitalized legal costs related to the formation of the franchise disclosure document. The asset will be amortized over the estimated useful life of three years. Amortization expense for the years ended December 31, 2016 and 2015 was $8,000 and $4,000, respectively. Amortization expense is expected to be $8,000 and $4,000 for the years ending December 31, 2017 and 2018, respectively.

Income Taxes

The Company has elected to be treated as a partnership for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's member, and no provision for federal income taxes has been recorded in the accompanying financial statements.

The Company prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company.

Interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expenses.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2016 and 2015 was $36,453 and $15,713, respectively.

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Franchise Fee Revenue Recognition and Related Franchise Costs

The Company's revenue consists of fees from franchises, such as initial franchise fees, royalties, and initial area representative franchise fees. Initial franchise fees received from a franchisee are recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement, which is generally upon the opening of a franchises. Royalties are based upon a percentage of franchisee sales and recognized when earned. Additionally, the Company recognizes initial area representative franchise fee revenues over the life of the area representative agreement and only to the extent that cash consideration has been received for the area representative franchise fee. These agreements are typically for a term of 10 to 20 years.

Deferred franchise costs represent certain costs incurred to develop new franchises and are expensed when the related revenue is recognized, generally upon the opening of a franchise. Franchise costs will not be deferred in excess of the amount of revenue to be recognized.

Advertising and Marketing Fund Revenue

The Company collects advertising and marketing fund fees. Advertising fund monies are used to promote brand awareness and include, but are not limited to, the creation of marketing and promotional material, development and maintenance of websites for the franchise system, and market research. The total advertising fund fees received for the year ended December 31, 2016 and 2015 were $12,055 and $0, respectively. Advertising fund revenues are recognized up to the amount paid by the fund for both operating and capital expenditures, not to exceed amounts collected or accrued during the year. Any amounts collected or accrued but unspent at the end of the year are reported as deferred revenue on the accompanying balance sheets. As of December 31, 2016 and 2015, $1,055 and $0, respectively, were included in deferred revenue related to the marketing fund.

Reclassifications

Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation.

GRABBAGREEN FRANCHISING, LLC

Notes to Financial Statements

Note 1 - Description of Business and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which amended revenue recognition guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required about customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU No. 2014-09 is effective for privately held entities for annual reporting in fiscal years that begin after December 15, 2018. In the normal course of adoption of a new accounting standard, the Company has begun the process of evaluating the impact of this change in revenue recognition on its financial statements. This standard is expected to have a significant change as to the recognition of the Company's various sources of revenue and various disclosures related to those revenues. This evaluation will continue to be addressed over the next two years in anticipation of adoption on January 1, 2019.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company expects to record a lease asset and liability on the books with related impact to the rent and depreciation expense.

Subsequent Events

The Company has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

GRABBAGREEN FRANCHISING, LLC

Notes to Financial Statements

Note 2 - Notes Receivable

Notes receivable consist of the following:

	December 31,	
	2016	2015
Notes receivable for initial area representative franchise fees financed by the Company, with interest at 6%, due upon various specified terms in the agreements.	$ 124,194	$ 406,065
Less current portion	(30,000)	(48,363)
	$ 94,194	$ 357,702

The Company collateralizes the notes with the related franchise agreement. The Company recorded a discount for the notes receivable issued with 0% interest. As of December 31, 2015, the discount was $36,879. As of December 31, 2016, management determined one of the notes receivable was uncollectible. As such, the note receivable and related deferred franchise fee revenue were written off.

The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered appropriate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance of the notes, which is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. As of December 31, 2016 and 2015, management determined that no allowance was necessary.

Note 3 - Commitments and Contingencies

Litigation

In the normal course of business, the Company is party to litigation from time to time. The Company maintains insurance to cover certain actions and believes that resolution of such litigation will not have a material adverse affect on the Company.

Leases and Information Services Agreements

During the year ended December 31, 2015, the Company entered into a five-year agreement for information technology services. The agreement calls for $5,000 monthly payments from November 2015 through October 2016, at which time the payments are reduced to $4,166 a month through the end of the agreement. Service fees for the year ended December 31, 2016 and 2015 were $58,332 and $10,000 under this agreement, respectively, which is included in general and administrative in the statement of operations.

The Company leases multiple vehicles from members of the Parent on a month-to-month basis. Monthly expenses under these leases approximate $1,600 a month.

Note 3 - Commitments and Contingencies (continued)

Leases and Information Services Agreements (continued)

In October 2016, the Company entered into a facility lease under an operating lease with a third party for the period January 1, 2017 through December 31, 2018. Future minimum lease payments under this lease are approximately $22,792 for the years ended December 31, 2017 and 2018.

Note 4 - Member's Equity

The Company's original authorized capital stock consisted of 9,600,000 shares of voting common stock with a par value of $0.001 and 400,000 shares of non-voting common stock with a par value of $0.001. All 9,600,000 shares of voting common stock were issued at the Company's inception. During 2015, the stockholders agreed to restructure the Company by (i) redeeming the 9,600,000 issued and outstanding shares of voting common stock for $0.00001 per share, (ii) eliminating par value for the authorized capital stock, (iii) issuing 4,459,000 shares of voting common stock for $0.00001 per share, and (iv) converting 500,000 authorized but unissued shares of voting common stock to 500,000 shares of non-voting common stock.

On December 31, 2015, the Company reorganized as a limited liability company prior to the filing of its first tax return. All stock was exchanged for membership units in the newly formed limited liability company.

Note 5 - Related Party Transactions

Management Fees

A Company affiliate under common ownership provides certain management services and facilities to the Company. During the year ended December 31, 2016, the Company entered into a servicing agreement with this affiliate whereby the affiliate provides management services to the Company for $1,585 per month plus other expenses. The agreement is effective until terminated by either party. Total management fees under this agreement for the year ended December 31, 2016 were $33,270. During the year ended December 31, 2015, certain management fees were paid to affiliates in the amount of $24,676.

Due from Affiliate

In the ordinary course of business, the Company periodically advances and receives funds from Gulf Girl Squared, Inc. (the "Affiliate"), which is under common ownership. As of December 31, 2016, $53,934 was due from the Affiliate.

EXHIBIT F

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

The purpose of this Statement is to demonstrate to Grabbagreen Franchising, LLC ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the franchise rights, (a) fully understands that the purchase of a grabbagreen franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement, at least 14 calendar days (10 business days in ~~Michigan and~~ New York) before I executed the Franchise Agreement. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION.

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?

☐ Yes ☐ No (INSERT INITIAL HERE:________)

If you selected "Yes," please describe the information you received on the lines below:

____

__________________________________.

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;

2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;

3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or

4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

~~If the Restaurant that you will operate is located in Maryland or if you are a resident of Maryland, the following shall apply:~~

~~All 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.~~

FRANCHISEE:

Sign here if you are taking the franchise as an **INDIVIDUAL(S)**
(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)

____
Signature
Print Name: ____________________
Date: ____________________

____
Signature
Print Name: ____________________
Date: ____________________

____
Signature
Print Name: ____________________
Date: ____________________

____
Signature
Print Name: ____________________
Date: ____________________

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

____
Print Name of Legal Entity

By: ____________________
Signature

Print Name: ____________________
Title: ____________________
Date: ____________________

EXHIBIT G

SAMPLE GENERAL RELEASE

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

GRABBAGREEN FRANCHISING, LLC ("we," "us," or "our") and the undersigned franchisee, ____ ("you" or "your"), currently are parties to a certain franchise agreement (the "Franchise Agreement") dated ______________________, 20__. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]____
____
____
____
____. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, members, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Franchisor Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties, including without limitation, Claims (1) arising out of or related to the Franchisor Parties' obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Releasing Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

~~IF THE RESTAURANT YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN MARYLAND OR IF YOU ARE A RESIDENT OF MARYLAND, THE FOLLOWING SHALL APPLY:~~

~~Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

IF THE RESTAURANT YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL

RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY YOU OR THE RELEASING PARTIES. YOU RECOGNIZE THAT YOU OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH YOU, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH YOU, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS YOUR INTENTION, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE YOU, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT YOU, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, YOU, ON YOUR OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVE ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS/HER SETTLEMENT WITH THE DEBTOR."**

YOU ACKNOWLEDGE AND REPRESENT THAT YOU HAVE CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT YOU UNDERSTAND ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

GRABBAGREEN FRANCHISING, LLC,
an Arizona limited liability company

Sign:____________________________
Name:___________________________
Title:____________________________

DATED:_________________________

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:___________________________

Title:____________________________

DATED:_________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
Signature

____
Print Name

DATED:_________________________

EXHIBIT H

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF GRABBAGREEN FRANCHISING, LLC.

The following are additional disclosures for the Franchise Disclosure Document of Grabbagreen Franchising, LLC. required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

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

4. The following is added as an additional risk factor to the State Cover Page:

The franchisee will be required to make an initial investment ranging from \$282,688 to \$412,518. This amount exceeds our Member's "negative" equity of \$1,219,042 as of December 31, 2016.

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

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

6. The following language is added to the end of Items 5:

The California Commissioner of Business Oversight requires us to defer payment of all initial franchise fees you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and your Restaurant is open for business.

7. The following paragraphs are added at the end of Item 17:

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

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

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

The Franchise Agreement requires application of the laws of the State of Arizona. This provision might 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 requires binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then-current principal place of business (currently Scottsdale, Arizona) with the costs being borne as provided in the Franchise Agreement. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

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

8. The following paragraph is added to the end of Item 19:

The earnings figures above 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 operating your Restaurant. Franchisees or former Franchisees, listed in this Disclosure Document, may be one source of this information.

~~**ILLINOIS**~~

~~1. The following is added to the end of Item 5, entitled **INITIAL FEES**, and Item 7, entitled **ESTIMATED INITIAL INVESTMENT**:~~

~~Due to the Franchisor's financial condition, the Illinois Attorney General's Office has imposed the requirement that we defer collection of the initial franchise fee until we have completed all of our pre-opening obligations to you under the franchise agreement and you have begun operating your Grabbagreen business.~~

~~2. The following language is added at the end of Item 17:~~

~~Illinois law governs the agreement(s) between the parties to this franchise.~~

~~Any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement or may provide for arbitration in a venue outside of Illinois. 815 ILCS 705/4 (West 2012)~~

~~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. 815 ILCS 705/41 (West 2012)~~

~~**MARYLAND**~~

~~1. The following paragraph is added to the end of Item 5:~~

~~Pursuant to an order of the Maryland Securities Commissioner, we will defer collection of all initial fees and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement.~~

~~2. The following is added to the end of the "Summary" sections of Item 17(c), entitled **Requirements for franchisee to renew or extend**, and Item 17(m), entitled **Conditions for franchisor approval of transfer**:~~

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

~~3. The following is added to the end of the "Summary" section of Item 17(h), entitled **"Cause" defined – non-curable defaults**:~~

~~The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.~~

~~4. The following sentence is added to the end of the "Summary" section of Item 17(v), entitled **Choice of forum**, and 17(w), entitled **Choice of Law**:~~

~~You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

~~5. The following language is added to the end of the chart in Item 17:~~

~~You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.~~

MINNESOTA

1. **Other Fees**. The following is added at the end of the chart in Item 6:

If your Restaurant operates in Minnesota, under Minnesota Statute 604.113 your penalty for an insufficient funds check will be limited to $30 per occurrence.

2. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added at the end of the chart in Item 17:

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

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

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

~~NEW YORK~~VIRGINIA

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

~~INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.~~

~~THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.~~

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

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

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

~~B.~~ ~~No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.~~

~~B.~~ ~~No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.~~

~~C.~~ ~~No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal or State franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.~~

1. ~~3.~~ The following sentence is added to the end of Item ~~4~~5:

~~None of the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership~~

~~that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.~~

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments you owe us until we have completed our pre-opening obligations under the Franchise Agreement

~~4. The following is added to the end of the "Summary" sections of Item 17(c), entitled **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.~~

~~5. The following language replaces the "Summary" section of Item 17(d), entitled **Termination by franchisee**:~~

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

~~6. The following is added to the end of the "Summary" section of Item 17(j), entitled **Assignment of contract by franchisor**:~~

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

2. ~~7.~~ The following ~~is~~statements are added to ~~the end of the "Summary" sections of~~ Item 17(~~v~~h)~~, entitled **Choice of forum**, and Item 17(w), entitled **Choice of law**~~:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.~~The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.~~

~~WASHINGTON~~

~~1. The following is added to the end of Item 5, entitled **INITIAL FEES**, and Item 7, entitled **ESTIMATED INITIAL INVESTMENT**:~~

~~Pursuant to an order of the Director of the Department of Financial Institutions, we will defer collection of the initial franchise fee until we have fulfilled all of our initial pre-opening obligations and you have begun operating your Grabbagreen business.~~

~~2. The following paragraph is added at the end of Item 17:~~

~~If any of the provisions in this Franchise Disclosure Document or Franchise Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document or Franchise Agreement.~~

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA

THIS RIDER is made and entered into by and between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("**we**"), and ______________________________, whose principal business address is ______________________________, ("**you**", "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ______________________________, (the "Franchise Agreement"). This Rider is being signed because (a) you are domiciled in the State of California and the Restaurant that you will operate under the Franchise Agreement will be located in California, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in California.

2. **INITIAL FEE**. The following language is added to the end of Section 3.A of the Franchise Agreement:

> The California Commissioner of Business Oversight requires us to defer payment of all initial franchise fees you owe us until we have completed all of our pre-opening obligations to you under this Agreement and your Restaurant is open for business.

[Signature page to follow]

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

GRABBAGREEN FRANCHISING, LLC,
an Arizona limited liability company

Sign:______________________________
Name:_____________________________
Title:______________________________

FRANCHISE OWNER	**FRANCHISE OWNER**
(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):	**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**
______________________________ Entity Name	______________________________ Signature
______________________________ Signature	______________________________ Print Name
Name:___________________________	
Title:___________________________	

RIDER TO THE
FRANCHISE AGREEMENT
~~FOR USE IN ILLINOIS~~

~~**THIS RIDER** is made and entered into by and between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("**we**"), and ____________________________________, whose principal business address is ____________________________________, ("**you**", "**your**").~~

~~1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated __________________________, 20___ (the "**Franchise Agreement**"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois~~ and ~~the Restaurant that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.~~

~~2. **INITIAL FEES**. The following is added to the end of Section 3A of the Franchise Agreement:~~

> ~~Due to the Franchisor's financial condition, the Illinois Attorney General's Office has imposed the requirement that we defer collection of the initial franchise fee until we have completed all of our pre-opening obligations to you under the franchise agreement and you have begun operating your Grabbagreen business.~~

~~3. **GOVERNING LAW**. Section 17F of the Franchise Agreement is deleted and replaced with the following:~~

> ~~Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 105 *et seq.*), or other United States Federal Law, this Agreement, your franchise for a Restaurant and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules.~~

~~4. **CONSENT TO JURISDICTION**. Section 17G of the Franchise Agreement is deleted in its entirety.~~

~~5. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. The following language is added to the end of Section 17H of the Franchise Agreement:~~

> ~~However, this Section shall not act as a condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act at Section 705/41 or Illinois Regulations at Section 200.609.~~

~~6. **LIMITATIONS OF CLAIMS**. Section 17J of the Franchise Agreement is amended by adding the following:~~

> ~~However, nothing contained in this Section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act at Section 705/27 or any other law of the State of Illinois, to the extent applicable.~~

~~7. **ILLINOIS FRANCHISE DISCLOSURE ACT**. The following language is added as Section 22 of the Franchise Agreement:~~

> ~~22. **ILLINOIS FRANCHISE DISCLOSURE ACT**. Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation, or provision purporting to~~

~~bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void.~~

~~*[Signature page to follow]*~~

~~**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof.~~

~~**GRABBAGREEN FRANCHISING, LLC,**~~
~~an Arizona limited liability company~~

~~Sign:~~____________________________
~~Name:~~____________________________
~~Title:~~____________________________

~~**FRANCHISE OWNER**~~

~~**(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**~~

____
~~Entity Name~~

____
~~Signature~~

~~Name:~~____________________________

~~Title:~~____________________________

~~**FRANCHISE OWNER**~~

~~**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**~~

____
~~Signature~~

____
~~Print Name~~

~~RIDER TO THE~~
~~FRANCHISE AGREEMENT~~
~~FOR USE IN MARYLAND~~

~~THIS RIDER is made and entered into by and between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260 ("we"), and ________________________________, whose principal business address is ________________________________, ("you", "your").~~

~~1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ________________________, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Restaurant that you will operate under the Franchise Agreement will be located in Maryland.~~

~~2. **INITIAL FRANCHISE FEE**. The following is added to the end of Section 3.A of the Franchise Agreement:~~

> ~~Pursuant to an order of the Maryland Securities Commissioner, we will defer collection of all initial fees and other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement.~~

~~3. **RELEASES**. The following is added to the end of Sections 12.C(9), 12.D, 13.A(5), and 15.C(2)(e) of the Franchise Agreement:~~

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

~~4. **INSOLVENCY**. The following sentence is added to the end of Section 14.B(19) of the Franchise Agreement:~~

> ~~This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).~~

~~5. **GOVERNING LAW**. Section 17.F of the Franchise Agreement is deleted and replaced with the following:~~

> ~~All matters relating to arbitration will be governed by the United States Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. sections 1051 et seq.), or other United States federal law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Arizona without regard to its conflict of laws rules, except that (1) any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchise owner will not apply unless its jurisdictional requirements are met independently without reference to this paragraph, and (2) Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.~~

~~6. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 17.G of the Franchise Agreement:~~

> ~~You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.~~

~~7. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following sentence is added to the end of Section 17.J of the Franchise Agreement:~~

~~You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.~~

~~8. **ACKNOWLEDGMENTS**. The following is added as a new Section 17.L:~~

~~17L. **ACKNOWLEDGEMENTS.**~~

~~All representations requiring you 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.~~

~~*[Signature page to follow]*~~

~~**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.~~

~~**GRABBAGREEN FRANCHISING, LLC,**~~
~~an Arizona limited liability company~~

~~Sign:~~______________________________
~~Name:~~______________________________
~~Title:~~______________________________

~~**FRANCHISE OWNER**~~

~~**(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**~~

____
~~Entity Name~~

____
~~Signature~~

~~Name:~~______________________________

~~Title:~~______________________________

~~**FRANCHISE OWNER**~~

~~**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**~~

____
~~Signature~~

____
~~Print Name~~

~~RIDER TO THE~~
~~FRANCHISE AGREEMENT~~
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("**we**"), and ______________________________, whose principal business address is ______________________________, ("**you**", "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ____________________, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Restaurant that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota

2. **METHOD OF PAYMENT**. The following language is added to the end of the first paragraph of Section 3E of the Franchise Agreement:

> Notwithstanding the foregoing, if your Restaurant is located in Minnesota, you and we acknowledge that under Minnesota Statute 604.113 your penalty for an insufficient funds check will be limited to $30 per occurrence.

3. **NOTIFICATION OF INFRINGEMENT AND CLAIMS**. The following sentence is added to the end of Section 5.E of the Franchise Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, cots or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

4. **NON-SOLICITATION AND NON-INTERFERENCE**. Sections 7.B and 15.G of the Franchise Agreement will not be enforced to the extent prohibited by applicable law.

5. **RELEASES.** The following is added to the end of Sections 12.C(9), 12.D, 13.A(5), and 15.C(2)(e) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

6. **<u>YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE AND TERMINATION (BY US) OF AGREEMENT</u>**. The following is added to the end of Sections 13A and 14.B of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

7. **<u>LOST REVENUE DAMAGES</u>**. The following language is added to the end of Section 15.B of the Franchise Agreement

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

8. **<u>GOVERNING LAW</u>**. The following statement is added at the end of Section 17.F of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **<u>CONSENT TO JURISDICTION</u>**. The following language is added to the end of Section 17.G of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **<u>WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL</u>**. If and then only to the extent required by the Minnesota Franchises Law, Section 17.H of the Franchise Agreement is deleted.

11. **<u>INJUNCTIVE RELIEF</u>**. The following language is added as Section 17.L to the Franchise Agreement:

Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and seek injunctive relief against conduct that threatens to injure or harm us, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may seek such injunctive relief. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction. A court will determine if a bond is required.

12. **LIMITATIONS OF CLAIMS AND CLASS ACTION BAR**. The following is added to the end of Section 18.K of the Franchise Agreement:

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

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

GRABBAGREEN FRANCHISING, LLC,
an Arizona limited liability company

Sign:__________________________
Name:__________________________
Title:__________________________

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:__________________________

Title:__________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
Signature

____
Print Name

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ~~THE~~VIRGINIA
~~STATE OF NEW YORK~~

THIS RIDER is made and entered into by and between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("**we**"), and ______________________________, whose principal business address is ______________________________, ("**you**", "**your**").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ______________________________, (the "Franchise Agreement"). This Rider is being signed because ~~(a) you are domiciled in the State of New York and~~ the Restaurant that you will operate under the Franchise Agreement will be located in ~~New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York~~Virginia.

2. **~~RELEASES~~INITIAL FEE**. The following language is added to the end of Sections ~~1E(7),~~ 3.A~~, 12C(9), 12D, 13A(5) and 15D~~ of the Franchise Agreement:

> ~~Notwithstanding the foregoing all rights enjoyed by you 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 to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.~~ The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments you owe us until we have completed our pre-opening obligations under this Agreement.

~~3. **TRANSFER - BY US**. The following language is added to the end of Section 12A of the Franchise Agreement:~~

> ~~However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.~~

~~4. **TERMINATION OF AGREEMENT - BY YOU**. The following language is added to the end of Section 14B of the Franchise Agreement:~~

> ~~You also may terminate this Agreement on any grounds available by law under Article 33 of the General Business Law of the State of New York.~~

~~5. **GOVERNING LAW**. The following statement is added at the end of Section 17F 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, as amended, and the Regulations issued thereunder.~~

~~6.~~ **~~CONSENT TO JURISDICTION~~**~~. The following is added to the end of Section 17G 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, as amended, and the Regulations issued thereunder.~~

~~[Signature page to follow]~~

~~**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof.~~

~~**GRABBAGREEN FRANCHISING, LLC,**~~
~~an Arizona limited liability company~~

~~Sign:~~ ______________________________
~~Name:~~ ______________________________
~~Title:~~ ______________________________

~~**FRANCHISE OWNER**~~	~~**FRANCHISE OWNER**~~
~~**(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):**~~	~~**(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):**~~
______________________________ ~~Entity Name~~	______________________________ ~~Signature~~
______________________________ ~~Signature~~	______________________________ ~~Print Name~~
~~Name:~~ ______________________________	
~~Title:~~ ______________________________	

~~**RIDER TO THE**~~
~~**FRANCHISE AGREEMENT**~~
~~**FOR USE IN WASHINGTON**~~

~~**THIS RIDER** is made and entered into between Grabbagreen Franchising, LLC, an Arizona limited liability company, with its principal business address at 10789 North 90th Street, Scottsdale, Arizona 85260 ("we"), and ________________________________, whose principal business address is ________________________________, ("you", "your").~~

~~1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ______________________, 20____ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Grabbagreen Business that you will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.~~

~~2. **INITIAL FEES**. The following is added to the end of Section 3 ("Fees") of the Franchise Agreement:~~

> ~~Pursuant to an order of the Director of the Department of Financial Institutions, we will defer collection of the initial franchise fee until we have fulfilled all of our initial pre-opening obligations and you have begun operating your Grabbagreen business.~~

~~3. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:~~

> ~~In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified as follows:~~
>
> ~~The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede this Agreement in your relationship with us, including termination and renewal of your franchise.~~
>
> ~~In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.~~
>
> ~~To the extent required by the Act, a release or waiver of rights executed by you shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Franchise 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, might not be enforceable.~~
>
> ~~To the extent required by the Act, transfer fees are collectable to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.~~
>
> ~~In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.~~

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this ~~Rider~~Agreement on the dates ~~noted below, to be effective as of the Effective Date of the Franchise Agreement~~stated on the first page hereof.

GRABBAGREEN FRANCHISING, LLC,
an Arizona limited liability company

Sign:____________________________
Name:___________________________
Title:____________________________

FRANCHISE OWNER

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
Entity Name

____
Signature

Name:__________________________

Title:___________________________

FRANCHISE OWNER

(IF YOU ARE AN INDIVIDUAL AND NOT A LEGAL ENTITY):

____
Signature

____
Print Name

~~NEW YORK REPRESENTATIONS PAGE~~

~~**FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.**~~

EXHIBIT I

RECEIPTS

RECEIPT
(OUR COPY)

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 Grabbagreen 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, Grabbagreen Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must provide 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. ~~Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.~~

If Grabbagreen Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor offering the franchise: Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260, (480) 747-0597. The individual franchise seller who offered you a grabbagreen restaurant is:

❑ Keely Newman
Grabbagreen Franchising, LLC
10789 North 90th Street, Suite 202
Scottsdale, Arizona 85260

❑ ~~Kim Cramton~~
______
~~Grabbagreen Franchising, LLC~~
~~10789 North 90th Street, Suite 202~~
~~Scottsdale, Arizona 85260~~

❑ ____________________

Issuance Date: April 18, 2017, as amended October 25, 2017

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated April 18, 2017, as amended October 25, 2017 that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Table of Contents to Operations Manual
Exhibit D	List of Franchisees
Exhibit E	Financial Statements
Exhibit F	Representations and Acknowledgment Statements
Exhibit G	Sample General Release
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

____

Name of Business Entity

Sign: ______________________

Title: ______________________

(Print Name): ______________________

Dated: ______________________

(Do not leave blank)

If an individual:

Sign: ______________________

(Print Name): ______________________

Dated: ______________________

(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it, by mail or e-mail, to Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260; email: franchise@grabbagreen.com.

RECEIPT
(YOUR COPY)

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 Grabbagreen 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, Grabbagreen Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must provide 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. ~~Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.~~

If Grabbagreen Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor offering the franchise: Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, Arizona 85260, (480) 747-0597. The individual franchise seller who offered you a grabbagreen restaurant is:

❑ Keely Newman
Grabbagreen Franchising, LLC
10789 North 90th Street, Suite 202
Scottsdale, Arizona 85260

❑ ~~Kim Cramton~~
~~Grabbagreen Franchising, LLC~~
~~10789 North 90th Street, Suite 202~~
~~Scottsdale, Arizona 85260~~

❑ ______________________

Issuance Date: April 18, 2017, as amended October 25, 2017

See Exhibit A for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated April 18, 2017, as amended October 25, 2017, that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Table of Contents to Operations Manual
Exhibit D	List of Franchisees
Exhibit E	Financial Statements
Exhibit F	Representations and Acknowledgment Statements
Exhibit G	Sample General Release
Exhibit H	State Addenda and Agreement Riders
Exhibit I	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

____

Name of Business Entity

Sign: ______________________

Title: ______________________

(Print Name): ______________________

Dated: ______________________

(Do not leave blank)

If an individual:

Sign: ______________________

(Print Name): ______________________

Dated: ______________________

(Do not leave blank)