



FRANCHISE DISCLOSURE DOCUMENT

GRAIN & BERRY CAFE, LLC
A Florida Limited Liability Company

33840 U.S. Hwy 19 N.

Palm Harbor, Florida 34684

(727) 224-9094

www.grainandberry.com

info@grainandberry.com

Received
LA Mailroom

DEC 02 2019

Department of
Business Oversight

Grain & Berry™ Restaurants are cafe style eateries offering Acai bowls, Pitaya bowls, Spirulina bowls, Kale bowls, smoothies, fresh juices, cold-pressed juice bottles, toast with toppings, coffee products, and other pre-packaged food and drink products, other food and beverage products as well as other services we designate or approve.

The total investment necessary to begin operation of a Grain & Berry™ Restaurant is between \$180,500 and \$453,000. This includes \$62,000 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure documents in another format that is more convenient for you. To discuss the availability of disclosures in different format, contact the Franchise Administration Department, Attn: Douglas Lang, 33840 U.S. Hwy 19 N., Palm Harbor, Florida 34684; (727) 224-9094; dlang@grainandberry.com.

The terms of your contract (Franchise Agreement) will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract in this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. Information in this disclosure document can help you make up your mind. More information on franchising such as "A Consumer's Guide To Buying a Franchise" which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC 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 be other laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: August 21, 2019

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 DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit "M" 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 BY LITIGATION OR ARBITRATION ONLY IN HILLBOROUGH COUNTY, FLORIDA. OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW.

3. WE MAY DESIGNATE MAXIMUM AND MINIMUM RETAIL PRICES TO THE EXTENT PERMITTED BY GOVERNING LAW.

4. YOUR SPOUSE AND ALL OWNERS/PARTNERS AND THEIR SPOUSES MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE OR ALL OWNERS/PARTNERS' SPOUSES LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE OR OWNERS/PARTNERS' SPOUSES HAS/HAVE NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

5. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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

STATE SPECIFIC EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	November 27, 2018
Florida	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Utah	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is the Issuance Date on the cover page.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2 BUSINESS EXPERIENCE.....	3
ITEM 3 LITIGATION	4
ITEM 4 BANKRUPTCY	4
ITEM 5 INITIAL FEES.....	4
ITEM 6 OTHER FEES	6
ITEM 7 ESTIMATED INITIAL INVESTMENT	10
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	13
ITEM 9 FRANCHISEE'S OBLIGATIONS.....	18
ITEM 10 FINANCING	19
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	19
ITEM 12 TERRITORY.....	32
ITEM 13 TRADEMARKS.....	36
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	38
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	39
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	40
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	41
ITEM 18 PUBLIC FIGURES.....	46
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS	46
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION.....	46
ITEM 21 FINANCIAL STATEMENTS.....	50
ITEM 22 CONTRACTS	50
ITEM 23 RECEIPTS	50

EXHIBITS

Exhibit A	State Specific Addenda and Exhibits
Exhibit B	Financial Statements
Exhibit C	Form of Franchise Agreement
Exhibit D	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit E	Form of Owner's Statement
Exhibit F	Form of Owner's Guaranty
Exhibit G	Form of General Release (Successor Franchise, Assignment/Transfer)
Exhibit H	Form of Electronic Funds Transfer Agreement
Exhibit I	Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit J	Table of Contents of Operating Manual
Exhibit K	List of Grain & Berry™ Restaurant Franchisees
Exhibit L	List of Grain & Berry™ Restaurant Franchisees Who Have Left the System
Exhibit M	List of State Agencies/Agents for Service of Process
Exhibit N	Franchise Compliance Certification
Exhibit O	Receipts

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER.

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

The Franchisor.

The Franchisor is Grain & Berry Cafe, LLC. To simplify language in this Disclosure Document, Grain & Berry Cafe, LLC is referred to as “we,” “us,” or “our.” We refer to a person who acquires a franchise from us as “you” or “your”. We are a Florida limited liability company formed on October 17, 2017 and our principal business address is 33840 U.S. Hwy 19 N., Palm Harbor, Florida 34684. Our agent in Florida for service of process is Acai Group, LLC, 33840 U.S. Hwy 19 N., Palm Harbor, Florida 34684, and if different in another state is, if applicable, disclosed in Exhibit “M”. Our phone number is (727) 224-9094 and our website is www.grainandberry.com.

We conduct business under our corporate name, and “Grain & Berry” and “Grain & Berry™ Restaurant.” We offer the opportunity to purchase single and multiple franchises for the Grain & Berry™ Restaurants, and offer and sell supplies, equipment and services to our franchisees. We began offering franchises for Grain & Berry™ Restaurants in October 2017. We do not offer franchises in other lines of business. We do not engage in any other business activities.

Our Parent, Predecessors and Affiliates.

Acai Group, LLC is our parent company and is located at 33840 US Hwy 19 N. Palm Harbor, FL 34684 and owns 2 Grain & Berry™ Restaurants located at 33840 US Hwy 19 N. Palm Harbor, FL 34684 and 2784 E. Fowler Avenue, Tampa, Florida 33612. Acai Group, LLC’s phone number is (727) 224-9094. The Grain & Berry™ Restaurants owned by Acai Group, LLC do business as Grain & Berry™ Restaurants and offer same or similar products and services as are offered by franchised Grain & Berry™ Restaurants. Acai Group, LLC is also our predecessor as we obtained our intellectual property from Acai Group, LLC, which we use to offer, sell and support Grain & Berry™ Restaurant franchises.

Except as described above, our parent, predecessors and affiliates have not offered franchises in this or any other lines of business.

Our Franchise Program

Grain & Berry™ Restaurant

Through the expenditure of considerable time and effort, our predecessor and we have developed a distinctive system for the development and operation of “Grain & Berry™ Restaurants”. Grain & Berry™ Restaurants are health-focused cafes that offer: Acai fruit bowls, pitaya fruit bowls, kale fruit bowls, yogurt fruit-bowls, smoothies and coffee drinks, as well as other products and services we designate or approve. We especially dedicate ourselves to making our Grain & Berry™ bowl, that entails: Acai fruits and banana placed in a blender to make the base, the base is then covered with granola and ultimately topped in fresh fruit and other healthy choices.

Grain & Berry™ Restaurants use our System Copyrights and Marks, and offer, sell only products, services and accessories we designate or approve (the “Products and Services”), in a distinctive and innovative environment. Grain & Berry™ Restaurants operate under and using distinctive business formats, methods, procedures, designs, layouts, signs, product and service mix, standards, specifications, and System Standards, all of which we may improve, further develop or otherwise modify from time-to-time (the “System”). Our Manuals and our System Standards will define in more detail the layout of the

Grain & Berry™ Restaurants, number of personnel needed, types of Products or Services offered, amount of inventory carried and the like.

To maintain and promote our brand and our company mission, we use, promote and license certain trademarks, service marks and other commercial symbols in the operation of Grain & Berry™ Restaurants, including the trade and service marks "Grain & Berry" and "Grain & Berry™ Restaurant" and other associated logos, designs, symbols and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of Grain & Berry™ Restaurants (the "Marks").

We also use, promote and license in the operation of Grain & Berry™ Restaurants certain information capable of being rendered into tangible form that we claim as our Copyrights, including spreadsheets, forms, marketing materials, labels, manuals, pricing lists, vendor lists, menus, advertisements, our website, and any other written materials, marketing materials, advertisements, or slogans (including the look, compilation, feel and content of them) (the "Copyrights").

Each Grain & Berry™ Restaurant operates from a specified location that we designate (the "Site"). A typical Site for a new Grain & Berry™ Restaurant ranges from approximately 1,500 square feet to 2,800 square feet.

To be eligible to be granted a Grain & Berry™ Restaurant franchise, you must meet our qualifications, who demonstrate that they meet our brand values of community involvement, and be willing to undertake the investment and effort to embrace our brand values, a franchise to own and operate a Grain & Berry™ Restaurant. If we agree to grant to you a franchise, you must sign and deliver to us our form of "Franchise Agreement" attached as Exhibit "C" to this Franchise Disclosure Document. If you are a corporation, partnership or other entity, all of your owners (and spouses) must sign our "Owners Guaranty" ("OG"), guaranteeing your performance and binding themselves individually to provisions of the Franchise Agreement. Also, if you are a sole proprietorship and your marital assets are used to qualify for our financial requirements, your spouse must sign the OG. If your owners are entities, then the people who are their owners must sign the OG. A copy of our Owners Guaranty is attached as Exhibit "F".

Multiple Grain & Berry™ Restaurants

We currently do not have a formal development program for selling multiple Grain & Berry™ Restaurant franchises to those interested. We are currently focusing on those franchisees who will operate either 1 or 2 Grain & Berry™ Restaurants. If you wish to purchase a 2nd Grain & Berry™ Restaurant, you sign 2 Franchise Agreements and pay all fees due under the 2nd Franchise Agreement. We do not discount or delay fees due for a 2nd franchise.

As of August 21, 2019, there are currently a total of seven (7) fully opened Grain & Berry™ Restaurants operating (and 1 Grain & Berry™ Restaurants are in pre-opening/build-out phase and 4 are not yet in the pre-opening/build-out phase). Of those 12 Grain & Berry™ Restaurants, 2 are owned by us or our affiliates and each of those 2 are fully opened.

Competition and Market.

The market for the goods and services offered by Grain & Berry™ Restaurants (health food products and services) is well established and very competitive. Your competitors include: possibly other Grain & Berry™ Restaurants, as well as both franchised and independent grocery stores, restaurants, eateries, cafes, gas stations and health food organizations. Grain & Berry™ Restaurants compete with national and regional "chains" and local businesses which offer similar products and services. In addition,

many customers can obtain similar products or services offered at the Grain & Berry™ Restaurants from other sources and can perform the services themselves. Additional market development, including development by competitors, should be expected. The market may be seasonal in geographic areas with seasonal populations.

Regulations.

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

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Grain & Berry™ Restaurant, including employment, workers' compensation insurance, and corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time, and may affect the operation of your Grain & Berry™ Restaurant. You must also obtain all necessary permits, licenses and approvals to operate your Grain & Berry™ Restaurant. You should independently research and review the legal requirements of the food service industry with your own attorney before you sign any binding documents or make any investments, as you are solely responsible for compliance and adherence to the rules, regulations and laws in your area.

You must comply with federal, state, and local laws and regulations. You should work with an attorney to investigate all regulations and laws that your prospective franchise must comply with and determine the expense you will incur. You are solely responsible for remaining in compliance with federal, state, and local laws and regulations that apply to running the type of franchised business we offer. You should investigate the application of these laws further with a business compliance attorney. For instance, discussing the following with your attorney is important: Zoning (real estate permit), health, sanitation, no-smoking laws; and regulations that pertain to sanitation, labeling, food preparation, food handling, and other waste disposal, environmental compliance, and food service are some of the many matters you need to discuss with your business compliance attorney. You are responsible for investigating and complying with your local and federal laws, rules and regulations.

ITEM 2 BUSINESS EXPERIENCE

Manager and COO: Douglas Lang

Douglas Lang on October 17, 2017 Co-founded and assumed the positions of Manager and COO of Grain & Berry Cafe, LLC. Douglas Lang on April 10, 2017 Co-founded and assumed the positions of Manager and COO of Acai Group, LLC in Palm Harbor, Florida. From 2015 to June of 2017, Mr. Lang

served as COO of Genesis Insurance. From 2009 until present Mr. Lang acts as CEO for Bright Futures Financial in Palm Harbor, Florida.

Manager & CEO: Jack E. Kessler III

Jack E. Kessler III on October 17, 2017 Co-founded and assumed the positions of Manager and CEO of Grain & Berry Cafe, LLC and has served in that position through the present in Palm Harbor, Florida. On April 10, 2017, Mr. Kessler Co-founded Acai Group, LLC in Palm Harbor, Florida and assumed the position as Manager. From March 2010 to current, Mr. Kessler acts as Regional Account Manager/Agent for Blue Grace Logistics, LLC in Riverview, Florida. From April 2012 to current, Mr. Kessler is the acting Manager and owner of Oldsmar Coin LLC in Oldsmar, Florida. From April 2016 to current, Mr. Kessler is the acting manager and Owner of Florida Ave. Coin, LLC in Tampa, Florida.

**ITEM 3
LITIGATION**

Concluded Actions:

Frutta Bowls Franchising, LLC v. Justin Bitner, Grain & Berry Café, LLC, Acai Group, LLC (U.S. Dist. Ct. NJ), Civil Action # 2018-2446 (FLWDEA) (December 21, 2018). The franchisor of a competing brand, Frutta Bowls Franchising, LLC, brought an action against the Bitner and the Entity Defendants (Justin Bitner (Bitner), Grain & Berry Café, LLC and Acai Group, LLC (the “Entity Defendants”)) alleging violations of the Trade Secret Act, 18 U.S.C. 1836, et. seq.; Trade Dress Infringement under the Lanham Act, 15 U.S.C. 1051, et. seq.; Violation of the New Jersey Trade Secrets Act, N.J.S.A. 56:15-1, et seq.; Tortious Interference with Economic Advantage; Civil Conspiracy to Commit Tort; and brought against only Bitner claims for Fraud in the Inducement, Breach of Fiduciary Duty and Judicial Expulsion. The case was amended as of May 3, 2018 to add Jack E. Kessler, III, and Douglas Lang as defendants to the claims against the Entity Defendants. The case against Bitner was settled on November 27, 2018. The case against the two Entity Defendants was dismissed on December 10, 2018. The case against the individual defendants (Kessler and Lang) was dismissed on June 4, 2019.

Except for the 1 matter above, no litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Your initial franchise fees for an individual Grain & Berry™ Restaurant are \$62,000. The initial franchise fees includes the amount of the Franchise Fee, Site Selection Fee and Pre-Opening Purchase.

You must pay each component of the initial franchise fees (Franchise Fee and Pre-Opening Package Fee and Site Selection Fee) when you sign the Franchise Agreement, unless your state requires that we defer initial franchise fees until we and our affiliates have fulfilled all pre-opening obligations. (See State Specific Addendums at Exhibit “A”)

Each component of the initial franchise fees are described below. The initial franchise fee in this Item 5 assumes you are purchasing 1 Grain & Berry™ Restaurant.

Franchise Fee.

If you do not participate in the Development Program, the Franchise Fee is \$50,000 for each Grain & Berry™ Restaurant. The Franchise Fee for each Grain & Berry™ Restaurant is due when the Franchise Agreement for that Grain & Berry™ Restaurant is signed by you. The Franchise Fee is due in lump sum and is non-refundable when paid. The Franchise Fee compensates us for providing your Initial Training, evaluating you as a prospective franchisee, preparing the franchise sales contracts/closing, and reimbursing us for your discovery day costs. Otherwise, if you participate in the Incentive Program or Development Program, the Franchise Fee is currently uniform among franchisees for Grain & Berry™ Restaurants.

Site Selection Fee

When you sign the Franchise Agreement, you must also pay us (or our authorized representative) a fee in the amount of \$2,000 (the "Site Selection Fee"). The Site Selection Fee is due in lump sum and non-refundable when paid. The Site Selection Fee covers our costs of reviewing your Site to determine if it meets our Site selection criteria. If you request and we provide multiple Site selection reviews, we charge an additional Site Selection Fee for each Site evaluated. But, any additional Site Selection Fees are due after you open for business. You are also responsible for all travel and hotel costs if we visit the Site. The high and low range in this Item 5 assumes only one Site selection visit and we are able to perform it without travel to the Site.

Pre-Opening Purchase.

Within 90 days after you sign the Franchise Agreement but not later than 10 days after you sign a lease for or purchase your Site, you must also pay to us a fee of \$10,000 (the "Pre-Opening Purchase") which compensates us for placing marketing for you during your pre-opening period, providing direct mail, print brochures, banners, tent, digital media, webpage development, and other promotional items we designate. The Pre-Opening Purchase also includes an initial inventory of Acai and Pitaya. The Pre-Opening Purchase is due in lump sum and is non-refundable when paid. We have sole discretion over the timing and manner of expenditure of the Pre-Opening Purchase.

Fee Deferrals

You must pay the Franchise Fee, Pre-Opening Purchases and the Site Selection Fee on the dates described in this Item 5, unless your state requires that we defer initial franchise fees until we and our affiliates have completed our pre-opening obligations under the Franchise Agreement (See State Specific Addendums at Exhibit "A").

Franchisee Referrals—We offer to franchisees who participate in our new franchisee referral program, and who send us a qualified referral who purchases a franchise, a \$2,000 referral fee.

Except as described in this Item 5 above, there are no other fees required to be paid or purchases required to be made from us or our affiliates, prior to your beginning operations of your Grain & Berry™ Restaurant.

Initial Franchise Fees Received in 2018

In the fiscal year ending December 31, 2018, we received total Franchise Fees of \$220,000. In the fiscal year ending December 31, 2018, the Pre-Opening Package Fees we received were \$0. In the fiscal year ending December 31, 2018, the Site Selection Fees we received were \$0 and we received total Site

Selection Fees of \$0. In the fiscal year ending December 31, 2018, we received Pre-Opening Purchases in the amount of \$0.

ITEM 6 OTHER FEES

ITEM 6: OTHER FEES			
Type of fee¹	Amount^{5,2}	Date due⁴	Remarks
Royalty Fees	Varies: Up to 8% of Gross Sales. Currently, 6% (3)	Charged weekly on Monday for preceding week by Electronic Funds Transfer (EFT) with our third party service provider.	See Note 3. At our option we can make the Royalty Fees due on a daily basis.
System Development Fee	Varies: Up to 2% of daily Gross Sales. Currently, 1% of Gross Sales.	Charged weekly on Monday for preceding week by Electronic Funds Transfer (EFT) with our third party service provider.	Deposited in the System Development Fund controlled by us (see Item 11). At our option we can make the System Development Fees due on a daily basis. We may serve as the approved provider of advertising agency services to the System Development Fund and charge advertising agency commissions for doing so.
Additional or on-Site Training or Assistance (Grain & Berry™ Restaurant Academy Certification Training Fees)	Varies: Our at our option, then current per diem fee not to exceed \$600 per day per trainee or \$1,000 per trainer, plus travel costs and expenses. Currently, \$600 per trainee per day and \$1,000 per trainer per day.	5 days after billing	Included with the Franchise Fee is the Initial Training detailed in Item 11. We charge this fee if we require or you request, and we agree to provide, additional On-Site training or OTT Member training. Also due if we provide additional OTT Member members and for all Grain & Berry™ Restaurant Academy Certification Training.
National Convention Registration Fee	Then-current registration fee; currently \$500 per person	Before attending national convention.	You or your Manager must attend the national conventions held by us.
Computer System (POS) Purchase	Varies: \$3,500 to \$4,000 initial equipment and monthly fees of \$399.	Within five days of installation	Paid to our designated Computer System supplier, Currently, Revel. The initial equipment ranges from \$3,500 to \$4,000. But Revel may offer you the ability to include its purchase in your monthly fee. This also includes other fees paid to accounting providers with software based services. Monthly fee range assumes monthly fees of \$399.
Local Advertising Expenditures	Varies: 5% of monthly Gross Sales. May be increased if we deem	Payable directly to ad agencies or to us.	You must spend at least 5% of your monthly Gross Sales on approved local advertising. We

ITEM 6: OTHER FEES			
Type of fee ¹	Amount ^{5,2}	Date due ⁴	Remarks
	the market to be high density and require additional expenditures due to economic conditions.		may also require you to pay these monies to us and we place the advertising and marketing on your behalf. The Pre-Opening Purchase (see Item 5) do <u>not</u> count towards your Local Advertising expenditures.
LAA Fees	Up to 2% of your Gross Sales	Payable to a local advertising association.	When there are two or more Grain & Berry™ Restaurants in your Designated Protected Market Area ("DPA"), you will contribute Local Advertising Fees of up to 2% of your Gross Sales to the cooperative or Local Advertising Association (the "LAA"). LAA Fees do count towards your monthly Local Advertising Expenditures.
Collection Costs	Varies: Amount incurred by us to collect unpaid fees, estimated to range from \$500 to \$1,000	On demand	Includes attorneys' fees and costs. These costs may vary greatly depending upon the particular circumstances of the collection action.
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by applicable law	On demand	Applies to past due payments payable to us.
Late Payment Fees	\$50 per day per delinquent payment	Within 10 days after payment due	Applies to past due payments payable to us.
Audit Fees	Varies: Amount incurred by us to audit your Grain & Berry™ Restaurant, estimated to range from \$1,000 to \$2,000, plus expenses.	Within five days after receipt of an invoice	Payable only if an audit shows that you understated your Revenues by more than 2% in any month or year. These costs may vary greatly depending upon the particular circumstances of the audit.
Costs and Attorneys' Fees	Varies: Our actual costs and attorneys' fees	As incurred.	Payable if your default under any agreement with us causes us to incur legal fees and costs.
Indemnification	Our actual costs; will vary according to loss	On demand	You must indemnify us if your actions result in a loss to us.
Business Management Fee	Up to the greater of 10% of your Gross Sales or \$6,000 per month, plus expenses	Paid along with the Royalty on the Payment Date.	This only applies if we operate/ manage your Grain & Berry™ Restaurant if you fail to cure breaches or become disabled or deceased.
Violations of Non-Solicitation	Varies: 4 times the solicited or hired employee's most recent annual compensation.	Within five days after you receive an invoice from us.	Applies if you violate non-solicitation obligations by soliciting a management level employee.

ITEM 6: OTHER FEES			
Type of fee ¹	Amount ^{5,2}	Date due ⁴	Remarks
Mark-Up / Profits on Sales of Items or Services	Varies: 0% to 100%+.	Due upon the payment for the item service.	We or our affiliate(s) may sell to you items or services, some of them may be required, others may be optional purchases. We earn profits/margins on them. The margins/profits vary from time to time. They compensate us for our efforts. Our predecessor or affiliates that sell items or services to us that we resell to you may also earn profits on their sales to us.
Transfer Fee and Costs	Varies: 50% of our then current Franchise Fee plus all costs (including any broker fees due). If you transfer to an entity you own or control and the ownership group remains the same (a "Simple Transfer"), the Transfer Fee is \$500, and if the ownership group will be different persons or entities, the Transfer Fee is \$2,000, plus costs.	At time of transfer	Compensates us for approving a transfer. Costs include all business or franchise broker costs due on the transfer, which are due by us, the transferee or transferor. If you enter into a Simple Transfer, you must execute Exhibit G to the Franchise Agreement.
Cure Fees and Fines for System Standard Breaches	Our then current fee. Currently the minimum fine is \$250 per day per violation.	Due upon invoice.	If you breach our System Standards for Membership Agreements, member transfers and the like, we may require you to cure the breach by paying the amount we designate.
Late Fees	\$50 per day	Within 5 days of invoice	We may automatically deduct these (and any other fees) via our computer system. They are due if you are late in submitting any reports or financial data or financial statements to us in the format we specify.
Successor Franchise Fee	50% of our then current Franchise Fee, plus all costs and broker fees.	Prior to grant of the Successor Franchise	Due if we grant to you a Successor Franchise.
Additional Site Selection Fees	\$2,000 per Site Selection	Within 10 days of our invoice.	Due if you request more than 1 Site to be evaluated for Site Approval.
Notes:			
(1) Unless otherwise indicated, all fees in this table are imposed by and payable to us, our predecessor or our affiliate. Unless otherwise indicated, all fees in the chart apply the same to each franchise. In general, we expect to impose all fees described in this chart uniformly among all franchisees. But, we reserve the right to vary these:			

ITEM 6: OTHER FEES			
Type of fee ¹	Amount ^{5,2}	Date due ⁴	Remarks
fees if, in our sole discretion, we choose to do so. All fees in this table are non-refundable, except as provided in Item 5. Fees may not be uniform among franchisees.			
(2) "Gross Sales" are defined in the Franchise Agreement as all revenue you derive from operating the Grain & Berry™ Restaurant, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the sale of Products or Services and/or in any way associated with the Marks, Copyrights or System, and whether from cash, check, barter, credit or debit card or credit transactions; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and (2) customer refunds, adjustments, credits and allowances authorized by us that are actually made by the business. Gross Sales also includes, for example, revenue you receive from vending machines or other coin-operated machines or devices and revenue from delivery service sales, retail, concessions, lottery tickets, special functions, etc. and sales of products bearing or associated with the Marks, Copyrights or System.			
(3) We will designate the day of the week (the "Payment Day") the payments are due. Currently, the Payment Day is on Monday. We may use a third party payment processor to collect daily Royalty fees. If the Payment Day falls on a national holiday, the payment is due on the first weekday following the Payment Day. We may require you to pay all payments due us by electronic funds transfer. You agree to comply with the procedures we specify in our Manuals and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. On the Payment Day, you will report to us by telephone, internet, intranet or electronic means or in written form, as we direct, your Grain & Berry™ Restaurant's true and correct Gross Sales for the immediately preceding month. You will give us authorization, in a form that we designate or approve, to ourselves or via our third party processors, initiate debit entries from or credit correction entries to (like by ACH transfer or other method) the Grain & Berry™ Restaurant's bank operating account (the "Account") for payments of any fees due us and other amounts due under the Franchise Agreement, including any applicable interest charges. Since the form may vary by your or our banking institution, we do not have a standard form of electronic delivery transfer document for you to sign in all instances to make electronic funds transfers from your Account. A sample form of this transfer form is attached as Exhibit "H" to this Disclosure Document. You will make the funds available in the Account for withdrawal by electronic transfer no later than the Payment Day.			
(4) All fixed dollar amounts may be adjusted as of January 1 of each year in proportion to changes in the Consumer Price Index (U.S. Average, all items) maintained by U.S. Departments of Labor. Each Adjustment will be made effective as of January 1 based on the January Index but the first adjustment will not be made until the second January following the Agreement Date.			
(5) Currently, there are no advertising or purchasing cooperatives that you must join. If a local advertising cooperative or local advertising association (LAA) is established, you will be required to contribute to it an amount determined by that local advertising cooperative up to 2% of your Gross Sales per Calendar Year. We expect that if a cooperative (LAA) is formed, there may be written governing documents to review, it will provide annual or periodic statements, will be operated by the cooperative or LAA or a hired advertising agency. We have the right to require the cooperative or LAA to be formed, changed or dissolved. We will permit you access to the payment and expenditure records of any cooperative or LAA to which you contribute. Our or our affiliates' outlets, if any, will participate on an equal basis, and will contribute on an equal basis. We do not have a defined area for the cooperatives or LAA. They may vary based on industry standards for the media selected.			
(6) Pre-Opening Package Fees for Grain & Berry™ Restaurants under the Development Program may be due after you open your first Grain & Berry™ Restaurant, but are not included in this Table. See Item 5.			

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

Grain & Berry™ Restaurant Program:

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT				
Type of expenditure (1)	Amount (1)	Method of payment (2)	When due	To whom payment is to be made
Franchise Fee (2)(15)	\$50,000	Lump Sum	At the time of signing the Franchise Agreement	Us
Site Selection Fee(2)	\$2,000	Lump Sum	Upon submission of proposed lease	Us or Third Parties
Pre-Opening Purchase(2)	\$10,000	Lump Sum	At the time of signing the Franchise Agreement	Us
Real Estate Lease Payments – deposit, 1 month (3)(6)	\$6,000 to \$12,000	Monthly	As agreed in the Lease	Lessor, Seller
Leasehold Improvements (3)(15)	\$15,000 to \$150,000	As Incurred	Before Opening	Suppliers
Licenses, Architectural, and Engineering Fees (4)(15)	\$5,000 to \$15,000	As Incurred	Before Opening	Suppliers
Construction Management Fee(4)	\$0 to \$20,000			Supplier
Wages, Travel and Living Expenses for You and Your Manager During Training;(5)	\$1,000 to \$3,000	As Incurred	During Training	Employees, Airlines, Hotels, and other Businesses
Restaurant Kitchen Equipment Purchase Deposit and Initial Payment (6)	\$50,000 to \$70,000			
Furniture, Fixtures and Non-Kitchen Equipment (6)(15)	\$1,000 to \$15,000	As Incurred	As Incurred	Suppliers
Computer System (7)(15)	\$4,000 to \$8,000	Lump Sum	Before Opening	Suppliers
Signs (8)(15)	\$6,000 to \$9,000	Lump Sum	Before Opening	Suppliers
Initial Inventory and Supplies (9)(15)	\$3,000 to \$15,000	Lump Sum	Before Opening	Suppliers
Employee Salaries – 3 months (10)	\$9,000 to \$25,000	As Incurred	As Incurred	Employees
Local Advertising Expenditures Fee and costs (11)	\$7,500	As Incurred	Within 90 days of Opening	Suppliers
Insurance – 3 months (12)	\$1,000 to \$1,500	As Incurred	As Incurred	Insurance Companies
Additional Funds – 3 Months [these figures have not been offset by operating revenues] (14)	\$10,000 to \$40,000	As Incurred	As Incurred, before Opening or otherwise as arranged	Us, Suppliers and Utilities, Landlord, Utilities, Government Agencies, Attorneys, Accountants and Other Professionals
TOTAL (3)(13)(14)(15)	\$180,500 to \$453,000			

Explanatory Notes.

- (1) For the estimated range of costs, we relied on our experience, as discussed in Item 1 of this disclosure document. You should carefully review these figures with your business advisor before making any decision to purchase a franchised Grain & Berry™ Restaurant. These estimates are based on a Grain & Berry™ Restaurant that ranges from 1,500 to 2,800 square feet. We do not offer direct or indirect financing. We and/or our affiliates do not finance any part of the initial investment.
- (2) The low range of the Franchise Fee for a single Grain & Berry™ Restaurant or the first Grain & Berry™ Restaurant under the Development Program assumes a 15% discount provided under our Incentive Program. The Development Fee is based on 2 Grain & Berry™ Restaurants. The Franchise Fees, Pre-Opening Package Fees, Pre-Opening Purchase and Site Selection Fees are non-refundable when paid. All other payments or fees in this Item 7 are not refundable unless otherwise noted. See Item 5.
- (3) Our model is that you lease and remodel an existing building to a Grain & Berry™ Restaurant. This estimate assumes monthly lease payments of \$4,000 to \$8,000 per month, based on a Site that is initially available in "vanilla shell" with sufficient HVAC, grease trap and electrical for a Grain & Berry™ Restaurant. If you seek to lease a cold grey shell location or a location that required greater preparation, your lease payments and build out costs may differ significantly. The low (1,500 sq. ft.) and high (2,800 sq. ft.) range assumes the landlord includes leasehold improvement costs in the rent (TI). The low range assumes free rent during build-out and one month after opening and little out of pocket leasehold improvements are necessary. The high range assumes 3 months' rent and deposits up to \$150,000 in leasehold improvements are needed, which are not included in TI. We assume approximately 60% to 80% of leasehold improvements may be included in TI. We do not recommend or estimate the cost of purchasing a building or constructing a building or paying cash for leasehold improvements. Grain & Berry™ Restaurants are generally located in freestanding buildings or in line spaces, and require from 1,500 to 2,800 square feet. Rent rates may be higher due to market conditions, availability and other factors. The monthly rental for your franchised location may include common area maintenance fees and real estate taxes, as well as amortized amounts reflecting the amount of landlord work and tenant improvement allowance provided. The amount indicated also includes a one month advanced rental payment, security deposit and prepaid expenses. The amount of rent payments, free rent period (if any) and deposits will be influenced by the landlord work and tenant improvement allowance negotiated, if any. The amount of landlord work, tenant improvement allowance and other construction and build out costs will vary based on market conditions, condition of the building, engineering, architectural and acoustical requirements, federal, local or state codes, laws, or ordinances, as well as climate and weather issues impacting your building itself and building efforts. If you choose to purchase the land and building for your Grain & Berry™ Restaurant, your initial costs likely will be significantly higher than if you choose to lease the premises. We don't recommend you purchase and build. The parcel required for your Grain & Berry™ Restaurant will require approximately 1 acre of land to handle building and parking. Some of your costs for the property, construction or remodeling and other Site improvements may be financed through a bank or other financial institution. These estimates are based primarily upon our predecessor's experience in the west coast of Florida where Grain & Berry™ Restaurants are currently located; depending upon your area, your costs may vary. While we recommend you negotiate with the landlord to obtain 3 to 6 months of free rent, you must be prepared to pay rent prior to opening of the Grain & Berry™ Restaurant. Fees paid to our designated or approved provider of construction project management services are included in these estimates.
- (4) You will need to obtain licenses, bonds and other approvals needed, and may have an architect and engineer as necessary to build-out or remodel the site for your Grain & Berry™ Restaurant. We also

suggest you use a construction management service firm to assist with your build-out. We recommend you use the services of our construction project management services ("CPMS") provider, RPM 43, LLC, which range from \$15,000 to \$20,500, plus expenses. The low range assumes you choose not to use or we do not require you to use a CPMS provider.

- (5) You must pay for the salaries, benefits, travel expenses and other expenses while you and your Manager attend the training program.
- (6) You currently may purchase the restaurant/kitchen equipment from third parties. The amount of down payment on a purchase or lease of restaurant/kitchen equipment may vary due to the amount purchased or leased, your credit, and the terms offered by the financial provider you choose. Some or all of your furniture, fixtures, and non-restaurant/kitchen equipment (FF&E) and signs, along with or separate from your restaurant/kitchen equipment, may be financed through a bank or other financial institution, via an outright purchase and other amounts of it may be leased. This estimate includes any lease origination fees if you lease. (You may have to have a greater down payment based on your credit and if you are financing the purchase, the down payment may range from 0% to 30%, depending on your credit and other factors). The typical restaurant/kitchen equipment purchase or lease costs ranges from \$2,000 to \$10,000 (including taxes and shipping). If you cannot obtain leasing/financing, your estimated initial investment will increase by this amount. If you lease the equipment, you may have other lower monthly costs and include maintenance and repairs in the lease package. The low and high range assumes you lease the restaurant/kitchen equipment, and includes your initial lease payments. You may also be able to include in your leasing package signage, lockers and other removable fixtures and equipment. If you chose to purchase cash rather than lease or finance your restaurant/kitchen equipment your initial investment costs will likely exceed the high range of this estimate by the purchased amounts that exceed our range of costs.
- (7) See Item 6 and Item 11 for a description of the Computer System and Computer System Fee. The Computer System from Revel ranges from \$3,500 to \$4,000 and we have included \$500 to \$1,000 estimate for miscellaneous computer costs, like a PC for the office. It includes the Computer System acquired through Revel, plus one PC/ laptop or tablet and printer for your office use. The low range assumes you include the Revel POS equipment in the monthly fee, plus purchase one PC, laptop or tablet and printer. The high range assumes you purchase the Revel POS equipment up front, and not via inclusion with the monthly payment to Revel. See Note 3 and Items 6 and 11.
- (8) You must purchase signs that meet our System Standards. The low range assumes 1 pylon sign and 1 exterior sign. The high range assumes 1 pylon sign and 2 exterior signs. Each range assumes it includes interior graphics and exterior window signs (skins/film).
- (9) You will need to purchase inventory and supplies to operate your Grain & Berry™ Restaurant. The low range assumes some of the cost of signs is paid by the Landlord as TI.
- (10) You will need to hire employees and pay salaries to staff of the Grain & Berry™ Restaurant. This assumes 3 persons during pre-opening period (during the 1-3 months prior to opening), and 17 full time persons after opening, and a variety of other workers paid on a part-time basis. (The length of your pre-opening period will vary based on market conditions, season, lease terms, available operating expenditures and other factors.)
- (11) This includes the 5% of Gross Sales that you are also required to spend on Local Advertising Expenditures, which commences when you open the Grain & Berry™ Restaurant, as well as any amounts in addition to the Pre-Opening Purchases that you may choose to spend on advertising and promotion during the initial investment period. See Item 6. See Note 13.

- (12) You must purchase insurance that meets our minimum standards. See Item 8.
- (13) The disclosure laws require us to include this estimate of all costs to operate your franchise during the "initial phase" of your business, which is defined as 3 to 13 months or a longer period if "reasonable for the industry." But, this initial investment period begins when you sign the Franchise Agreement and ends the first month the Grain & Berry™ Restaurant is open and in operation. See "Time To Opening" in Item 11. We are not aware of any established longer "reasonable period" for our industry, so our disclosures cover a 3 to 13-month period. The amounts shown are estimates only and may vary for many reasons. Your actual costs will depend on factors such as how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the prevailing wage trade; competition; and the sales level reached during the initial period. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. During the initial investment period, you will need Additional Funds to cover your expenditures for supplies, local advertising, utilities, and other miscellaneous operating costs. Miscellaneous fees include such items as security, utility and license deposits, and miscellaneous professional services such as attorneys and accountants. You should check with the local agency that issues building permits to determine what licenses and fees might be required for the specific site for your Grain & Berry™ Restaurant. This estimate also includes your dues for your attending its training programs we may designate. See Items 8 and 11. This estimate has not been offset by any allowance for your operating revenues during this three month period. Your working capital requirements may increase or decrease depending upon your geographic area, operating revenues and other economic factors.
- (14) This includes miscellaneous operating expenses and your personal draw as well as any Additional Training Fees, if any. See Item 6. This also includes fees paid to One Point during the initial investment phase. See Item 11. These figures are estimates only, and it is possible that you may have additional or greater expenses during this period. Your costs will vary depending on the size of your Grain & Berry™ Restaurant, your geographic area, economic and market conditions, competition, interest rates, wage rates, sales levels attained and other economic factors. This estimate does not include the salaries for you or your Manager during training. We do not finance your initial investment costs. Fees paid to third parties disclosed in this Item 7 may be refundable, depending on your negotiations with those third parties. We do not know if those third parties will agree to any refunds or the terms for doing so. We relied on our experience, as well as information provided by our predecessor in determining the additional funds needed and other estimates in Item 7.
- (15) Your estimated initial investment could be lower for subsequent Grain & Berry™ Restaurants if we certify you to provide the Initial Training to your second and subsequent Grain & Berry™ Restaurants opened under the Development Program.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you are not obligated to purchase or lease from us or our affiliates, our designees or suppliers approved by us, or under our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to the operation of your Grain & Berry™ Restaurant.

The Franchise Agreement restricts the sources of products and services you utilize in establishing and operating a Grain & Berry™ Restaurant in three ways. Some items can be purchased only from us or our affiliates, some only from suppliers we have approved, and others only in accordance with our

specifications and standards. We estimate that the percentage of your purchasing restricted in this way can be summarized as follows:

Nature of Restriction	% of Total Investment to Establish	% of Purchases to Operate
Required Purchases from Us or Our Affiliates	2.8% to 5%	10% to 12%
Required Purchases from Approved Suppliers (other than Us or Our Affiliates)	50% to 80%	83% to 87%
Required Purchases in Accordance with Our Specifications and Standards	95% to 97.2%	97.2% to 98%

These percentages may vary significantly over time, and if you purchase your equipment from us or lease it from a third party. Required purchases in accordance with our specifications and standards includes required purchases from us, our affiliates and from Approved Suppliers.

Purchase Restrictions.

You must develop and operate your Grain & Berry™ Restaurant according to our required system standards, policies, procedures, rules and methods for Grain & Berry™ Restaurants ("System Standards"). Our System Standards may regulate all of the purchases or expenditures made by your Grain & Berry™ Restaurant. Our System Standards regulate the Products and Supplies and, among other things, required, authorized, unauthorized and prohibited ingredients, inventory, fixtures, furnishings, equipment, services, signs, marketing materials, and accessories to be used in establishing and operating the Grain & Berry™ Restaurant, as well as the designated or Approved Suppliers of such items (which may be limited to or include us or our affiliates).

Purchase from Us or our Affiliates.

Other than the items in the Pre-Opening Package and Pre-Opening Purchases (See Item 5), your required purchases of Acai and Pitaya and ongoing purchases or leases of optional additional equipment, retail items, supplies and marketing services, you do not currently have to purchase any goods or services from us or our affiliates relating to the establishment of your Grain & Berry™ Restaurant. On an ongoing basis, you must purchase from us or our affiliates any items, equipment, products or services we may designate. These currently include marketing materials, logo ware, equipment, restaurant/kitchen equipment, supplies, software, billing services. Currently, we or our affiliates are the only approved or designates supplier of logo ware, and branded items, and as resellers of VOIP and some app services.

Approved Suppliers.

In order to maintain the quality of the goods and services sold by Grain & Berry™ Restaurants and the reputation of the franchise network, to the extent we designate, you are obligated to purchase or lease fixtures, equipment and supplies, furnishings, and installation products as well as all inventory, supplies and other goods, services or equipment used to establish and operate your Grain & Berry™ Restaurants and related items that meet our minimum standards and specifications and which are from suppliers we approve. We will notify you in our Manuals or other communications of our standards and specifications with respect to Approved Suppliers, including situations in which we may revoke approval. We include these requirements in our System Standards.

The majority of equipment, inventory, supplies and services you purchase or lease for your Grain & Berry™ Restaurant must be purchased or leased from suppliers we designate or approve and according to our System Standards, which may include us, our affiliates or our predecessor. We, our predecessor or our affiliate may negotiate contracts with equipment, services inventory and installation products and services suppliers who serve as exclusive or Approved Suppliers to Grain & Berry™ Restaurants. We may require you to purchase or lease from us, our predecessor or our affiliates all of the goods and services we require you to use, and we or our affiliates may purchase such items from others and require you to purchase them from us. We and our affiliates may earn monies on these sales or leases. Other than as described under the "Rebates" section of Item 8, we do not currently derive any revenue (rebates or commissions) from your purchases or leases from Approved Suppliers other than us, our predecessor or our affiliates; but we may in the future. See "Rebates" below. We may earn profits on the sale or lease of any item or service to you.

Some of our current Approved Suppliers include:

Supplier	Services Provided
Pro Forma	Printing
International Signs of Seminole	Signs
Revel	Billing/Credit Card Transactions
Grand Brand	Website, SEO, Marketing and Social Media
LoyaltyPlant	Website App/Advertising
Grand Brand	Audio Visual
Clarity Voice	VOIP
Textcommunications.com	Text Advertising
Grand Brand	Advertising
Pro Forma	Uniforms, Promotional Items, Retail Items
Pro Forma	Promotional Items
RPM	Construction Project Management

Changes of Suppliers.

If you want to use any item that does not comply with System Standards or is to be purchased from a supplier that has not yet been approved or seek an alternative supplier to be an Approved Supplier, you must first submit sufficient information, specifications and samples for our determination whether the item complies with System Standards or the supplier meets Approved Supplier criteria. We do not charge you expenses or fees for reviewing approved suppliers, but may choose not to review any for any reason—including projected cost of review. We will, from time to time, establish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of approved items and suppliers. Currently, within 45 days after receiving the requested information about the item or supplier, we will notify you as to whether the product or supplier is approved as meeting our System Standard.

Approval or our revoking approval of a supplier may be conditioned on requirements relating to product quality, frequency of delivery, standards of service and concentration of purchases with one or more suppliers in order to obtain better prices and service and may be temporary, pending our further evaluation of the supplier. Our criteria for approving suppliers may be treated by us as a trade secret and not shared with our franchisees. In other instances we may share these criteria with you by placing it in the Manual or communicating it directly to you. We can revoke our approval of a supplier at any time upon immediate notice to you.

Percentage of Purchases.

Collectively, the purchases described above in this Item 8 (purchases from us, our affiliates, approved or designated suppliers, or in accordance with our System Standards) are about 95% to 97.2% of your overall purchases and leases in establishing and 97.2% to 98% of your overall purchases and leases in operating a Grain & Berry™ Restaurant. These percentages are estimates and are subject to change.

Computer Hardware and Software.

We require you to have a Computer System for the operation of your Grain & Berry™ Restaurant. We may require you to install and utilize computer hardware and software that we may designate for the Computer System.

Insurance.

You must obtain and maintain, at your own expense, such insurance coverage that we require from time to time and meet the other insurance-related obligations in the Franchise Agreement. The insurance policy or policies must be written by a responsible carrier or carriers reasonably acceptable to us, name us (A.M. Best Insurance Companies with A+10 or higher rating) (or our designated affiliate) as an additional insured, and include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified by us from time to time), in accordance with our written standards and specifications, the following:

Property:	\$100,000 business personal property \$200,000 tenant improvements \$100,000 business income/extra expense
Professional Liability/General Liability: with coverage for Products/Completed Operation Personal/Advertising Injury/Sexual Abuse/Molestation.	\$1,000,000 each occurrence \$3,000,000 annual aggregate \$100,000 each occurrence for sexual misconduct \$300,000 aggregate for sexual misconduct
Hired and Owned Auto Policy	\$1,000,000 per occurrence/\$2,000,000 aggregate

You must also acquire: Business interruption insurance and Workers' Compensation Insurance.

The cost of your insurance coverage will vary depending on the insurance carrier's charges, the terms of payment, and your insurance history. You must also carry workers' compensation insurance and any other insurance required by your landlord and applicable law. We may specify an insurance agency or insurer as the designed supplier for this service. You must name us as an additional insured.

Your obligation to obtain and maintain the policies that we require, in the amounts specified, will not be limited in any way by reason of any insurance maintained by us, nor will your performance of that obligation relieve you of your liability under the indemnity provisions in the Franchise Agreement. If you

fail to procure or maintain the insurance that we require, we may (but are not obligated to) obtain the required insurance and charge the cost of the insurance to you, plus a reasonable administrative fee.

Rebates.

We and our affiliates have rebate programs or "Preferred Vendor" agreements with Approved Suppliers to franchised Grain & Berry™ Restaurants. We or our affiliates may negotiate with suppliers and manufacturers to receive rebates on certain items you must purchase. Our rebate programs may vary depending on the supplier and the nature of the product or service. We help arrange purchase and leasing programs for the restaurant/kitchen equipment, but do not guarantee your purchase or lease obligations.

We currently do not receive any rebates from Approved or designed Suppliers. We may do so at any time. In return for rebates we receive, we assist in managing the relationship between us, our franchisees and suppliers that provide rebates. Certain suppliers and manufacturers may pay us a rebate based on the amount of products ordered that may vary. We and our officers or managers do not have any ownership interest in any suppliers from whom we receive rebates or which sell goods or services to our franchisees. We reserve the right to use such rebate monies or remuneration in any way we choose. Also, our affiliates earn profits on the sale of goods and services to us, and to you.

Our or our affiliates' obtaining rebate monies or remuneration from suppliers compensates us or our affiliates for our or their efforts to establish and maintain relationships with suppliers and distributors. While we may seek to establish supply relationships based on lowest, lower price, or other considerations, such as strategic marketing, strength of supplier, competitive pressures, and the like may influence our decisions to use and negotiate with those suppliers. Our System Standards require you to participate in any rebate programs we may establish.

In the fiscal year ending December 31, 2018 we and our affiliates did not receive any/received \$0 in rebates from suppliers to our franchisees. As of the date of this Disclosure Document, the formula for rebates with our affiliates or other suppliers are not determined.

Purchasing or Distribution Cooperatives.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price items), for the benefit of the franchise System.

Miscellaneous.

We do not provide material benefits to you (for example renewing or granting additional franchises) based on your purchase of particular Products or Services or use of particular suppliers. However, if you do not use Approved Suppliers or follow our System Standards, we may terminate the Franchise Agreement. You must follow and honor all of the product and service warranty and customer service policy we may establish and publish in our Manuals.

**ITEM 9
FRANCHISEE'S OBLIGATIONS**

ITEM 9: FRANCHISEE'S OBLIGATIONS		
These tables list your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.		
Obligation	Section in agreement	Disclosure document item
(a) Site selection and acquisition/lease:	Franchise Agreement ("FA"): Sections 2.1 and 4 and Exhibit A to the FA; Exhibit E to FA.	Items 7, 11 and 12
(b) Pre-opening purchases/leases	FA: Sections 4, 5.3, 5.4, 11.7, 19.1 and 19.2.	Items 5, 6, 7, 8, 11 and 16
(c) Site development and other pre-opening requirements	FA: Sections 2.1, 4, 5, 7., 11.2, 11.4 11.7, 19.1, 19.2 and 19.3	Items 6, 7 and 11
(d) Initial and ongoing training	FA: Sections 3.4, 6.5, 6.6, 7 and 11.2	Item 11
(e) Opening	FA: Sections 5.1, 5.2, 5.3, 5.9, 7, and 12	Item 11
(f) Fees	FA: Sections 2.5, 3.1, 3.4, 3.5, 4.1, 4.2, 4.5, 5.3, 6, 7.2, 11.1, 11.3, 11.7, 11.8, 12.1, 12.5, 12.6, 15.3, 17 and Exhibit A, Exhibit B and Exhibit G to the FA.	Items 5, 6 and 7
(g) Compliance with standards and policies/Operating Manuals	FA: Sections 4, 5, 7.5, 9.1, 9.3, 12 and 13	Item 11
(h) Trademarks and proprietary information	FA: Sections 5.7, 8, 9, 11.1, 11.2, 12.8 and 17.4	Items 13 and 14
(i) Restrictions on products/ services offered	FA: Sections 2.5, 5.4, 5.5, 5.6, 5.7, 5.8, 11.1, 11.2, 11.7, 11.10 and 12.5	Items 11 and 16
(j) Warranty and customer service requirements	FA: Sections 5.7 and 11.17	None
(k) Territorial development and sales quotas.	FA: Sections 2, 4.2 and Exhibit B to the FA.	Item 12
(l) On-going product/service purchases	FA: Sections 5.4, 5.5, 6.10, 11 and 12	Item 8
(m) Maintenance, appearance and remodeling requirements	FA: Sections 3.1, 3.2, 5.1, 5.2, 5.3, 5.9, 5.10, 11.2 and 11.4	Items 11 and 17
(n) Insurance	FA: Sections 5.6, 5.9, 11.2 and 19;	Items 7 and 8
(o) Advertising	FA: Sections 7.3, 8.2, 8.6, 9.1, 11.2 and 12	Items 6, 7 and 11
(p) Indemnification	FA: Sections 8.9, 18.4 and 20.6; Conditional Assignment of Telephone Numbers and Listings ("CATNL"): Section 3	Item 6
(q) Owner's participation/ management/staffing	FA: Sections 1.4, 5.6, 7, 11.1, 11.2, 11.12 and 11.13	Items 11 and 15
(r) Records and reports	FA: Sections 11.2, 11.6, 11.8 and 13	Item 11
(s) Inspections and audits	FA: Section 14	Items 6 and 11
(t) Transfer	FA: Section 15; Exhibit G to FA	Items 6 and 17
(u) Renewal	FA: Section 3	Items 6 and 17
(v) Post-termination obligations	FA: Sections 9.3 and 17	Item 17
(w) Non-competition covenants	FA: Sections 10 and 17.6	Item 17
(x) Dispute resolution	FA: Sections 20.5-20.11	Item 17

**ITEM 10
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your notes, leases or 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.

Grain & Berry™ Restaurant Program.

Pre-Opening Obligations: Before you open your Grain & Berry™ Restaurant, we or our designee will:

1. Within Sixty days of the Agreement Date, we will designate your Site Selection Area if not yet chosen when you sign the Franchise Agreement. If you don't agree on a Site Selection Area we suggest during that 60 day period, we may designate a Site Selection Area we chose or terminate your Franchise Agreement. We will provide you with Site selection guidelines, and review and accept or reject the proposed Site for your Grain & Berry™ Restaurant. The Site must meet our criteria for the location of a Grain & Berry™ Restaurant, which includes a "core customer base" determined by us based on a myriad of factors, including, but not limited to, demographic characteristics including the traffic patterns, parking, character of neighborhood, and competition from and proximity to other businesses. Our criteria, and our evaluation of them as well as determining Site Selection Areas, may vary periodically and from location to location. We will approve or disapprove a proposed Site within thirty (30) days after we receive all written information that we require to assess the proposed Site. Within six (6) months of signing the Franchise Agreement, you must find a Site we approve and provide to us a copy of your fully executed lease or purchase agreement for the Site (the "Final Site Approval Date"), or we may terminate the Franchise Agreement. A Site is not fully approved by us until there is a Final Site Approval Date. We will provide Site Selection counseling and assistance, and on-Site evaluations, as we consider necessary and appropriate. (Franchise Agreement – Sections 4.1 and 4.2)

2. Review and approve your Site for the Grain & Berry™ Restaurant. (Franchise Agreement -Sections 4.3 and 4.4)

3. We may, in our sole discretion, loan to you a set of sample architectural and design plans (or other form of sample floor plan and kitchen plan) and mandatory and suggested specifications including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings, for a Grain & Berry™ Restaurant. You must independently, at your expense, have the architectural and design plans and specifications adapted for construction of the Grain & Berry™ Restaurant in accordance with our approved plans and specifications and our System Standards. (Franchise Agreement – Section 5.1)

4. First approve your initial space plans in writing (which may be through an e-mail) and then approve your final architectural plans, construction plans and specifications through a Certificate of Approval. (Franchise Agreement – Section 5.1)

5. If you and we have not already agreed upon a location for your Grain & Berry™ Restaurant before signing the Franchise Agreement, we will provide you with assistance in selecting a Site. In general,

we expect that most franchisees will lease, and not own their Site. In general, we do not expect to own and lease a Site to you. We do not select your Site. We approve an area in which you select a Site, and grant our approval of it. We will provide one Site selection review per Site Selection Fee. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other Grain & Berry™ Restaurants, the nature of other stores in proximity to the Site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed Site. If we agree to do so, we will attend a Site selection visit (typically one day). If you have not done so prior to signing the Franchise Agreement, you must select a Site and submit it to us for approval within six months of signing the Franchise Agreement. We will approve or disapprove a Site you propose within 30 days after we receive the materials we request regarding your preferred location. If we cannot agree on a Site, we can terminate the Franchise Agreement. (Franchise Agreement – Section 4.1 and 16.2(k)).

6. We will sell and deliver the items that you are required to purchase from us, and invoice you for the inventory upon your Opening Date. The items in the Pre-Opening Package will be delivered to your Grain & Berry™ Restaurant by us. We are not responsible for hiring your employees. We may choose to mediate or resolve disputes among franchisees on a voluntary and informal basis. (Franchise Agreement – Section 5).

7. Identify any other fixtures, equipment (including telephones, and computer hardware and software), music (including a satellite radio subscription), and any miscellaneous office supplies, equipment or materials necessary for your Grain & Berry™ Restaurant to begin operations, and the minimum standards and specifications that must be satisfied and the suppliers from which these items may be purchased or leased (including us and/or our affiliates). We provide this information in writing and through verbal instruction in Training. (Franchise Agreement – Section 5).

8. Loan you one copy of the Manual or at our discretion, make it accessible to you on-line via Internet, Intranet or electronic media. The Manuals are confidential and remains our property during and after the term of the Franchise Agreement. (Franchise Agreement – Section 11.1).

9. Collect the Pre-Opening Purchase from you, we will use those funds to purchase pre-opening marketing materials and services we designate in our sole discretion, as well as to pay our administrative fee. (See Item 6). Otherwise, we will identify the designated vendors to which you must pay those monies. We, in our sole discretion, may choose not to collect the Pre-Opening Purchase from you and instead allow you to expend those monies. (Franchise Agreement – Section 5.9 and 5.10)

10. Provide to you the initial training described in detail later in this Item. We are not responsible for hiring your employees. (Franchise Agreement – Section 7).

11. We will provide a schedule of all products, furniture, fixtures, supplies, equipment and services required for your Grain & Berry™ Restaurant (Franchise Agreement – Section 5.1). We will provide a list of the designated and approved suppliers for the Products and Services required by us for use in your Grain & Berry™ Restaurant (Franchise Agreement – Sections 5.4 and 5.5).

12. If you lease equipment we designate as being required to be purchased from us or our affiliates (including any Pre-Opening Package items), we or our affiliate may choose to sell that equipment to a third party leasing company who will lease it to you. (Franchise Agreement – Sections 5.4 and 5.5)

13. If your Site Selection Area is not selected when you sign the Franchise Agreement, we will either designate a Site Selection Area within 60 days of your signing the Franchise Agreement or if you

and we cannot agree with the 60 day period, we may terminate the Franchise Agreement. (Franchise Agreement – Section 2.2).

14. If your Protected Area is not determined when you sign the Franchise Agreement, we will designate our Protected Area within 10 days of our approving your Site (within 10 days of the Final Site Approval Date). (Franchise Agreement – Section 2.3)

Time To Opening.

We estimate that there will be an interval of approximately 3 to 12 months between the signing of the Franchise Agreement and the opening of your Grain & Berry™ Restaurant, but the interval may vary based upon many factors that may include among them, your ability to get any approvals or licenses required by local law, the location and condition of the Site, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. The low range of time to opening assumes you are taking over an existing space with minimum build-out or remodel needed. Unless we grant an extension, we require you to find and obtain our approval of a Site within 6 months and build-out and open the Grain & Berry™ Restaurant within the earlier of six months after the Final Site Approval Date or 12 months after the Agreement Date.

You may not open your Grain & Berry™ Restaurant for business until: (1) we approve your Grain & Berry™ Restaurant as developed according to our specifications and standards; (2) pre-opening training of you and your personnel has been completed to our satisfaction; (3) the Franchise Fee and all other amounts then due to us have been paid; (4) we have approved the manager of your Grain & Berry™ Restaurant and you have demonstrated that the conditions of the Franchise Agreement have been met; (5) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request; and (6) we have approved and received signed counterparts of all required documents pertaining to your acquisition of the Site. You cannot open your Grain & Berry™ Restaurant until we are satisfied that you have completed all necessary steps to open. While we may terminate the Franchise Agreement if you fail to open in the time required, we may grant you extensions if your delay is due to your engaging in efforts to comply with laws and regulations, or if you are otherwise complying with our System Standards and you request and we approve an extension. Generally, we do not grant more than two (2) months of extension.

Post-Opening Obligations: During your operation of your Grain & Berry™ Restaurant, we will:

1. Advise you from time to time regarding the operation of your Grain & Berry™ Restaurant based on reports you submit or inspections we make. In addition, we will provide guidance to you on standards, specifications and operating procedures and methods utilized by Grain & Berry™ Restaurants; purchasing required equipment, inventory, materials and supplies; inventory sales; use of suppliers; approved products; employee training; and administrative, bookkeeping and accounting procedures. Our guidance will also include our designating the Products and Services you may offer to your customers. This guidance will, at our discretion, be furnished in our Manual, bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the Grain & Berry™ Restaurant. We are not responsible for hiring your employees. We may choose to mediate or resolve disputes among franchisees on a voluntary and informal basis. (Franchise Agreement – Section 7.4).

2. Establish our financial reporting, bookkeeping and accounting policies via our System Standards. (Franchise Agreement – Sections 11, 13).

3. Loan you one copy of the Operations Manuals (or make the Manuals available on-line or via other electronic format), consisting of such materials (which may include audiotapes, videotapes, magnetic media, computer software and written materials) that we generally furnish to franchisees for use in operating Grain & Berry™ Restaurants. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules called our "System Standards" that we prescribe from time to time for operation of Grain & Berry™ Restaurant and information relating to your other obligations under the Franchise Agreement and related agreements. We, in our sole discretion, may make the Manuals accessible to you on-line or via other forms of electronic format like, using the Internet or Intranet (instead of loaning one copy of it to you). If we do so, the most recent on-line (or electronic format) version of the Manuals will control any disputes involving the Manuals. The Manuals may be modified, updated and revised periodically to reflect changes in System Standards. You are responsible for routinely monitoring any on-line version (or electronic format) of the Manuals for changes to it. If we make the Manuals accessible to you on-line (or electronic format), we will not send to you printed copies of any changes to it. Our System Standards may designate how you establish and maintain administrative, bookkeeping, accounting, and inventory control procedures. (Franchise Agreement – Section 11).

4. Issue, modify and supplement System Standards for your Grain & Berry™ Restaurant. These may establish minimum or maximum prices to the extent permitted by law. We may periodically modify System Standards, which may accommodate regional or local variations as we determine or to comply with applicable laws, rules and regulations, and these modifications may obligate you to invest additional capital in the Grain & Berry™ Restaurant and/or incur higher operating costs. These modifications also will not alter your fundamental status and rights under the Agreement. We will give you 30 days to comply with capital modifications we require. You are obligated to comply with all modifications to System Standards, other than capital modifications, within the time period we specify. We agree to give you thirty (30) days to comply with Capital Modifications we require unless those Capital Modifications exceed \$5,000, then you have sixty (60) days to comply. We will not require Capital Modifications during the first 12 months. (Franchise Agreement – Section 11).

5. As may be permitted by law, inspect and observe, photograph and videotape the operations of your Grain & Berry™ Restaurant, remove samples of any products, materials or supplies for testing and analysis, interview your Grain & Berry™ Restaurant's customers and personnel, and inspect and copy any books, records and documents relating to the operation of your Grain & Berry™ Restaurant from time to time to assist you in complying with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 14.1).

6. Establish, maintain and administer a system-wide fund (the "**System Development Fund**"). You are obligated to contribute to the System Development Fund such amounts that we prescribe from time to time up to a limit set in the Franchise Agreement. (See Item 6) Any Grain & Berry™ Restaurants owned and operated by us and our affiliates are not required to contribute to the System Development Fund on the same basis as franchise owners. (Franchise Agreement – Section 12.1-12.4).

7. Provide ongoing training as described later in this Item, which will assist you in training your employees. (But, we do not assist you with hiring your employees) (Franchise Agreement – Section 7).

8. We will provide a schedule of all products, furniture, fixtures, supplies, equipment and services required for your Grain & Berry™ Restaurant (Franchise Agreement – Section 5.1). We will provide a list of the designated and approved suppliers for the Products and Services required by us for use in your Grain & Berry™ Restaurant (Franchise Agreement – Sections 5.4 and 5.5).

9. If you lease equipment we designate as being required to be purchased from us or our affiliates, we or our affiliate will sell that equipment to a third party leasing company who will lease it to you. (Franchise Agreement – Sections 5.4 and 5.5)

The System Development Fund, Training, Manuals and Computer System are described in more detail below.

System Development Fund.

You are required to pay to the System Development Fund (sometimes called an advertising fund) the System Development Fees in the amount of up to 3% (but currently 2%) of your Gross Sales. Some of our initial franchisees may pay lower amounts and we may phase in their commencement of System Development Fees. Franchisees' System Development Fees may not be uniform. We will direct all programs financed by the System Development Fund, with sole discretion over the locations of expenditure, creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The System Development Fund may be used to pay the costs of preparing audio and written advertising and marketing materials; developing and servicing corporate accounts; engaging in research and development; administering regional and multi-regional advertising programs; purchasing e-commerce rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems, the Business Management System and the like; supporting public relations and market research; establishing, developing, maintaining, modifying, servicing or hosting Websites, VOIP services or support, text messaging advertising, call centers or other e-commerce or communication programs or services, and other advertising, promotion and marketing activities. The System Development Fund may, at our option, use an in-house advertising department or any local, national or regional advertising agency we choose. The System Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. (Franchise Agreement – Section 12).

The System Development Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Development Fund and its programs, including, without limitation, conducting market research, research and development, application development hosting and maintenance, VOIP telecommunications, text advertising and call development hosting and operations, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Development Fund. We may spend, on behalf of the System Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Grain & Berry™ Restaurants to the System Development Fund in that year, and the System Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the System Development Fund will be used to pay advertising costs before other assets of the System Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the System Development Fund and furnish the statement to you upon written request. However, the System Development Fund is not audited. We will not use any monies from the System Development Fund for the preparation materials intended to be used solely for franchise sales solicitations. We have the right to cause the System Development Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and the successor entity will have all of the rights and duties described in the Franchise Agreement. We have the right to charge to the System Development Fund an advertising agency fee if we or our affiliates serve as its advertising agency. We may also, in our sole discretion, serve as the advertising agency for the System Development Fund and charge advertising agency fees for doing so. (Franchise Agreement – Section 12).

The System Development Fund is intended to maximize recognition of the Marks and patronage of Grain & Berry™ Restaurants. Although we will endeavor to utilize the System Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Grain & Berry™ Restaurants, we undertake no obligation to ensure that expenditures by the System Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Development Fund by Grain & Berry™ Restaurants operating in that geographic area or that any Grain & Berry™ Restaurant will benefit directly or in proportion to its contribution to the System Development Fund from the development of advertising and marketing materials or the placement of advertising. We assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the System Development Fund. We currently do not have sufficient data to disclose what percentage of the System Development Fees may be used for direct franchise sales. (Franchise Agreement – Section 12).

Franchisee contributions to the System Development Fund (“System Development Fees”) will generally be on a uniform basis, but we reserve the right to defer or reduce contributions of a franchisee and, upon 30 days’ prior written notice to you, to reduce or suspend contributions to and operations of the System Development Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the System Development Fund. Your System Development Fees do not count towards your requirement to spend 5% of your Gross Sales on Local Advertising and promotion (see below). If the System Development Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the System Development Fund during the preceding 12-month period. We and our affiliates are not required to contribute to the System Development Fund (pay System Development Fees) on the same basis as franchise owners for any Grain & Berry™ Restaurant they own and operate.

We are not required to spend any specific or minimum amount in your franchise area or territory.

During the fiscal year ending December 31, 2018, expenditures from the System Development Fund were used in the following manner:

Reimbursement Expense/Other (we reimburse franchisees for certain expenses we approve)	0%
Production	0%
Media Placement	0%
Advertisement Expense	0%
Other	0%

Your Local Advertising.

You must spend monthly for approved local advertising and promotion of your Grain & Berry™ Restaurant an amount not less than one percent (1%) of your Gross Sales per calendar month (“Local Advertising Expenditures”). At our discretion, we may also collect (and currently collect) \$10,000 from you as the Pre-Opening Purchases and use a portion of it to place the advertising on your behalf. The Pre-Opening Purchases do not count toward your minimum Local Advertising Expenditures. You must obtain telephone (and internet) directory listings in the size and manner we specify, displaying the Marks. If other franchise owners operate in the Protected Market Area serviced by the directories, then you must participate in and pay your pro rata share of the cost of such listings and advertising. We may review your books and records relating to your expenditures for such advertising and promotion. (Franchise Agreement – Section 12.7).

All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for approval before you use them. If you do not receive written disapproval within 30 days after we receive the materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved. (Franchise Agreement – Section 12.5).

Local Advertising Cooperative.

If a local advertising cooperative is established (See LAA Fees in Item 6), you will be required to contribute to it an amount determined by that local advertising cooperative up to 5% of your Gross Sales per Calendar Year. We expect that if a cooperative is formed, there may be written governing documents to review, it will provide annual or periodic statements, will likely be operated by the cooperative or a hired advertising agency. We have the right to require the cooperative to be formed, changed or dissolved. We will permit you access to the payment and expenditure records of any cooperative to which you contribute. Our or our affiliates' outlets are not obligated to participate on an equal basis, and currently do not contribute on an equal basis. We do not have a defined area for the cooperatives. We reserve the right to designate or approve how its area or membership is determined. We can designate or approve who is responsible for administering the cooperative. We can require that it be operated via written governing documents. They may vary based on industry standards for the media selected. Any fee paid to a local advertising cooperative will be deducted from (credited towards) your 5% minimum Local Advertising Expenditures requirement. (Franchise Agreement- 12.6).

Advertising Councils.

There currently are no franchisee advertising councils or advertising cooperatives that advise us on advertising policies. In our discretion, we reserve the right to establish an advisory council of franchisees that does advise us on advertising policies and other matters.

Computer Systems/ POS System and Technology Infrastructure.

You must buy and install, if you do not already have, the computer hardware, software, printers, and communications equipment and services we designate or approve (collectively the “**Computer System**”). Your Computer System must allow you to access the internet at the speed we require from time to time. You will have sole responsibility for the acquisition, operation, maintenance, and upgrading of the Computer System. You must use the Computer System for on-line reporting of sales, keeping customer information, and reporting other information to us as required under the Franchise Agreement.

Our System Standards allow us to require you to contract with Approved Suppliers for reputation management and net promoter score responses, as well as to allow us or the reputation management providers to respond to all website inquiries or other inquiries for all franchisees.

The Franchisee will, at its sole expense, lease or purchase the computer hardware, software and computer peripherals required by us for your Grain & Berry™ Restaurant that meet the specifications set forth in the Operations Manuals (the “**Computers and Software**”). The computers and software consists of primarily the hardware and software provided by Revel that is used for the POS system, and a PC/ Tablet or laptop with printer used for business management functions. Our bookkeeping provider, The cost of your Computer System provided through Revel may range from \$3,500 to \$4,000. The cost for the PC/tablet or laptop and printer is approximately \$500 to \$1,000. See Item 7. Revel offers choices of either paying for the equipment in lump sum or including it in the monthly fee they charge to you.

You must purchase and use the complete computer software services and electronic cash register system we require from our designated supplier, which we have the right to change at any time. Currently, our designated supplier is Revel, and the current computer software services and electronic cash register system includes: a cash register, credit card scanner, camera, printer and Revel's proprietary software (Revel Software). We currently use Revel Software. We started using this software in October 2018. You have to pay to Revel the following fees to maintain the software and POS and they help you manage your operations. The amount a franchisee will pay to Revel will vary based on the number and type of transactions. As of November 30, 2018, Revel's variable fees include: a \$399 per month fee, plus 0.5% per transaction for Visa/MC; .05% per transaction for Discover card; .05% on American Express/Diners Club; plus \$20 and \$50 per statement and administrative costs.

Currently, the total annual cost to you for Revel's ongoing support services is \$399 per month. This fee includes free upgrades and system maintenance, including 24-hour technical support, as described below. This cost is subject to increase by Revel or our then-current vendor at any time. You will also need to obtain Quickbooks software, which ranges from \$10 to \$30 per month.

You will, upon written notice from us, update the Computers and Software to the standards and specifications set forth in the Operations Manuals or otherwise in writing by us. You must also enter into software license agreements with approved suppliers for the Software required by us for your Grain & Berry™ Restaurant. You will be responsible for paying us, Approved Suppliers and/or vendors the licensing or other fees, costs and expenses incurred to acquire, install and implement the Computers and Software and any updates to the Computers and Software.

We will establish the standards and specifications of your office, telecommunications and computer equipment. We recommend that your Computer System include a laptop computer, point-of-sale terminals, printer, database, business management software and marketing software that meet our current specifications. The estimated cost of your Computer System is disclosed in Item 7 of this disclosure document. You will have a contractual obligation to upgrade or update your computer hardware and software programs during the term of the Franchise Agreement as required by us. There is no contractual limitation on the frequency or cost of this obligation, although we estimate that expenditures for Computer System upgrades or updates will generally not exceed \$2,000 each year. You may choose to establish a contractual relationship with a third party supplier to provide ongoing maintenance, repairs, upgrades or updates, at an estimated annual cost of \$1,000 to \$3,000 per year. Your Computer System will perform word processing, accounting, record keeping, scheduling, Internet access and e-mail functions for your Grain & Berry™ Restaurant. Telecommunications equipment, computer hardware and peripherals, maintenance agreements, and computer software and operating systems are all available through commercial office and telecommunications equipment, and computer hardware and software vendors. We will have independent access to your Computer System. We will have remote access to the information and data collected and generated by your Computer System. (Franchise Agreement – Section 11.7)

As part of the Computer System, we will require you to, or recommend that you (as specified), purchase, install and implement the following information technology hardware, software and/or processes: We require that all franchisees maintain Payment Card Industry Data Security Standard ("DSS") compliance as required. The process(es) in place for the franchisee to accept payment will determine the necessary level of reporting per the DSS. You are required to comply with the reporting requirements including the Self-Assessment Questionnaires ("SAQ"). Our current System Standards require that on an annual basis, you must provide us with an attestation of compliance certifying to us that you maintain your operations with the necessary level of PCI compliance. This will serve to communicate to us that you are performing due diligence in protecting cardholder data ("CHD"), which serves to protect the business and reputation of both you and us. In addition, we may require and have you verify that all necessary specific testing is taking place and being performed by an approved third-party vendor. We also expect you to

obtain an "uninterruptable power supply" (UPS) to power all networking hardware. This will ensure that power spikes or blackouts do not damage network equipment and cause the Grain & Berry™ Restaurant network to fail. We also suggest you obtain a "power distribution unit" (PDU) used for ensuring clean and properly distributed electrical power is used by the networking equipment. A lockable, wall mounted enclosure is required to secure networking equipment (due to PCI regulations), and to prevent accidental damage from occurring to the equipment. Since your members will wish to use wifi while working out, to ensure optimal wireless internet coverage, we require you to have a wireless access point. Depending on your Grain & Berry™ Restaurant size, additional wireless access points may need to be added throughout to ensure full coverage. The wireless access point being centrally located in the Club facilitates use of the POS system, as well as other wireless connected devices in the Grain & Berry™ Restaurant. The estimated cost to acquire the baseline technology infrastructure configuration, consistent with the above requirements, ranges between approximately \$1,000 to \$2,000. Grain & Berry™ Restaurants must utilize high speed internet connectivity and a backup or failover internet service in case of primary internet outages.

The Computer System may vary if or as we update and approve comparable systems.

This components of the Computer System provided by Revel currently includes a one-year warranty on all repairs, which Revel is obligated to provide as needed. In addition, Revel provides software support through its 24-hour technical support help desk, and all software upgrades and patches, all database management, including updates and backups, and all recordkeeping services that are required by us. You are obligated to install the software upgrades and patches as provided by Revel. We also provide support with using and maintaining the system on an as-needed basis. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.

The software used by Revel is their proprietary property. No compatible equivalent component or program has been approved by us to perform the same functions. We reserve the right to change our supplier of software services and electronic cash register systems.

Revel maintains customer data on your behalf for purposes of billing the customers' monthly membership fees. We have independent access to this data, via the Revel web interface. We use this information to assess monthly royalty fees and other fees, as well as to monitor your performance. There are no contractual limitations on our right to access this data. Currently, on our behalf, Revel will make automatic withdrawals of Royalty and other payments you are required to pay to us under the Franchise Agreement.

You must, at your own expense, maintain, upgrade or replace other systems and equipment which you use in connection with the operation of the Grain & Berry™ Restaurant, including firewall systems and WiFi systems. There are no contractual limitations on the frequency or cost of your obligation to maintain, upgrade or replace these systems and equipment.

We currently require you to provide us continuous uninterrupted "24/7" access to your Computer System to monitor your social media, sales, receivables and other financial and operational data we designate. There is no contractual limitation on our right to access these records.

We do not have any obligation to provide ongoing maintenance, repairs, upgrades or updates to the Computer System, nor do we have any obligation to reimburse you for any Computer System costs. You must maintain your Computer System and keep it in good repair. You must update or upgrade the Computer System, as we require at any time during the term of the franchise. We estimate that the cost of optional or required maintenance, updating, upgrading or support contract will be between \$1,000 and \$3,000 per year.

While we provide an estimate of the annual cost of any maintenance, updating, upgrading, or support contracts, there is no contractual limit on the frequency or cost of your obligation to upgrade or update the Computer System. We have the right to independently access all information you collect, compile, store or generate at any time without first notifying you, and you must give us password access to your Computer System to enable us to obtain such data. There are no contractual limitations on our right to access or retrieve any information contained and/or utilized by your Computer System. (Franchise Agreement- Section 11.7).

Internet Website

We have established and maintain an Internet website at the uniform resource locator (currently, www.grainandberry.com and www.grainandberryfranchise.com) that provides information about the System and Grain & Berry™ Restaurants (the "Website"). We may enhance our Website to include a series of interior pages that identify Grain & Berry™ Restaurants by address and telephone number. We may (but are not required to) include at the Website an interior page containing additional information about your Grain & Berry™ Restaurant. If we include your information on the Website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide. All information is subject to our approval before posting. (Franchise Agreement- Section 12.8)

We will have sole discretion and control over the Website's design and content. We have the sole right to approve any linking to, or other use of, the Website. We have no obligation to maintain the Website indefinitely, but may discontinue it at any time without liability to you. Furthermore, as we have no control over the stability or maintenance of the Internet generally, we are not responsible for damage or loss caused by errors of the Internet. (Franchise Agreement- Section 12.8)

We also may establish and maintain one or more social media sites (e.g., www.twitter.com, www.facebook.com, www.instagram.com, www.pinterest.com, or such other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associated with the Marks, without our advance written consent. We may designate from time to time regional or territory-specific user names/handles that you must maintain. You must adhere to the social media policies that we establish from time to time, and must require your employees to do so as well. Use of social media, including any pictures that may be posted on, using or through one or more social media sites, must be in compliance with our Manuals and System Standards, including our take-down policies. You are responsible for ensuring that all of your managers, trainers, sales associates and owners comply with our social media policies. (Franchise Agreement- Section 12.8)

Currently, we hire a 3rd party to manage our and our franchisees' social media. This provider, Grand Brand Co., charges you the proportionate share of its cost to do so. The current cost is \$250 per month. You and your employees will not be allowed to establish or operate any website for your Grain & Berry™ Restaurant or establish or participate in any Grain & Berry™ Restaurant related blog or other discussion forum without our prior written consent. (Franchise Agreement- Section 12.8)

Table of Contents of Operating Manual

The table of contents of our 112 page Manual as of the date of this disclosure document is attached as Exhibit "J".

Development Program

The training program in connection with our Development Program (if you acquire multiple Grain & Berry™ Restaurants) is the same as our training program for the Grain & Berry™ Restaurant Program.

We are in the process of investigating if we will establish a program to certify our Area Developers to provide Initial Training to their second and subsequent Grain & Berry™ Restaurants. If we certify you as capable of providing Initial Training to your subsequent Grain & Berry™ Restaurants, you will be responsible for that Initial Training to your subsequent Grain & Berry™ Restaurants. In that case, you will be required to provide training to the Grain & Berry™ Restaurant's Staff and Owners/Managers that meet our System Standards.

Training.

After you sign the Franchise Agreement and pay the initial Franchise Fees, before the Grain & Berry™ Restaurant opens, we will provide initial training to you and your Manager, and 2 other staff members for a maximum of 10 days ("Initial Training"). Up to 4 persons may complete the Initial Training.

Up to 10 consecutive or non-consecutive days of this Initial Training will be furnished at a location we designate that may include our headquarters in Palm Harbor, Florida, your Grain & Berry™ Restaurant during the end of its build-out phase, an operating Grain & Berry™ Restaurant or another location we designate. We may delegate training duties to third parties.

You and trainee employees must complete the Initial Training to our satisfaction. You also must participate in all other activities required to operate your Grain & Berry™ Restaurant, including any subsequent mandatory training we designate for new food or beverage programs, equipment or other activities. There are additional fees for the ongoing training that range from up to \$600 per trainee per day to up to \$1,000 per trainer per day, based on our sole discretion. We also charge this additional training fee if we require or you request, and we agree to provide, additional On-Site training or OTT Member training, and if we provide additional OTT Member members. We offer additional mandatory training when needed and when we can schedule it approximately at least 2 to 3 times per year. You are responsible for all travel, living and compensation expenses that you and your employees incur in connection with any training we offer or require. We are constantly in the process of evaluating and improving our training programs so they may change at any time. You must pay to us any training expenses we incur on your behalf and you are responsible for any training expenses you incur; these expenses may include published materials, or third party training fees. Currently, there are no other additional training expenses. (See Item 5) (Franchise Agreement- Section 7). As of our most recent fiscal year end, we provided the following training:

Grain & Berry™ Restaurant Program

The following chart summarizes our current Initial Training for Grain & Berry™ Restaurants:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Orientation: Meet key personal, Overview of Restaurant industry and company history and future, Relationship between franchisor and Define comprehensive time table for opening business, Required certification, Compliance with local, state and federal regulations, Legal issues, Overview of support systems, Website tour restaurant franchisee	8	0	Corporate Headquarters or other designated facility
Office and administration: Physical requirements, Equipment and supplies, Vendors accounts, Customer record keeping, Accounting, General office procedures, Restaurant franchise reporting and fees, Employee issues, Customer communication etiquette, Use of professional services, Risk Management	8	0	Corporate Headquarters or other designated facility
Marketing: Marketing basics, Understanding the industry market – target clients, National marketing, Local marketing, Targeted marketing, <i>Grain and Berry</i> trade mark protection, Pitfalls to avoid, Local Market research	8	0	Corporate Headquarters or other designated facility
Restaurant Training: The <i>Grain and Berry</i> Process	0	8	Corporate Headquarters or other designated facility
Field Equipment: Approved vendors, Start-up package, signage, setup, Basic mandatory equipment – use, operation, cleaning and maintenance, Additional equipment, Inventory, Ordering equipment and supplies, Legal issues	4	4	Corporate Headquarters or other designated facility
Food Preparation training: Menu Prepare menu items under guidance and supervision of trainer	0	8	Corporate Headquarters or other designated facility
Mock Shift: Run 3 mock shifts under guidance and supervision of trainer	0	24	Corporate Headquarters or other designated facility
Sales Training: <i>Grain and Berry</i> sales process, Group presentations, Catering, Pricing, Customer care, <i>Grain and Berry</i> calls, Monitoring sales success	8	0	Corporate Headquarters or other designated facility
Final Exam Completion			
TOTAL	36	44	

All training will be offered as often as we deem necessary, and will be held in Palm Harbor, Florida or at another location designated by us. This training program will include classroom and on-the-job instruction on topics selected by us. In 2018, 2 or 100% of our franchisees received optional additional training at no additional cost.

We plan to be flexible in scheduling training to accommodate our personnel, you and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. Training days may be up to 12 hours in length. The hours of classroom or on the job training overlap and the subjects are not distinctly separated during training.

We also provide you, included with the Franchise Fee, an "OTT Member" for a time period that we may designate to assist you with the opening of your Grain & Berry™ Restaurant. Currently, the OTT Member is provided for up to 3 days of pre-opening and up to 3 days of Grand Opening (a total of up to 6 days). This OTT Member serves the dual role of assisting you and providing additional training. We require you to, at your expense; provide on-site meals and beverages for the OTT Member plus all of its travel and living expenses. We are not required to provide an OTT Member or other on-site training to you if you are a transferee of an existing Grain & Berry™ Restaurant or if for your 2nd or subsequent Grain & Berry™ Restaurant. You are responsible for additional OTT Member expenses and training expenses.

Explanatory Notes to Training Chart.

(1) Doug Lang provides training on franchise operations and Grain & Berry™ Restaurant operations. Doug has 17+ years of training and operational experience in senior level sales and operations aspects in the restaurant, insurance and financial services industries.

(2) Jack Kessler, III provides training on Grain & Berry™ Restaurant development and operations. He has 1+ years of operations experience with our predecessor and 16 years of training and operational experience working with Dish Network and DirecTV.

(3) Kirsten Lang, provides training on restaurant operations and food preparation. Kirsten has 17+ years of operations and training experience working with multiple businesses in several industries including airlines, finance and medical.

(3) Initial Training is provided to you, your Manager up to a total of 2 staff (a total of 4 persons) for up to 10 days at a location designated by us at no additional cost to you (other than your travel and living expenses, salaries, benefits of the trainees). However, if we conduct additional training at your Grain & Berry™ Restaurant, then you must pay us the then current on-site training fee charged by us. You must pay the salaries, benefits, travel expenses and other expenses for all persons who attend training on your behalf. You and your Manager must successfully complete the training program before you open your Grain & Berry™ Restaurant.

(4) After you and your Manager and up to 2 other persons have successfully completed the training program, we will arrange for the OTT to assist you with opening your Grain & Berry™ Restaurant (see Article 14 of the Franchise Agreement). For up to 3 days the Trainer assists with pre-openings training during the pre-openings period and the Trainer will assist you with up to 3 days of grand opening initial training (during grand opening) implementing the Business System at your Club and training your employees. If more than 6 days of on-site opening assistance is necessary for either pre-opening or grand opening, you will also pay the then-current per day on-site additional training fee for each additional day of opening assistance required.

(5) Generally, the opening of your Grain & Berry™ Restaurant will take place within 2 to 15 months after you sign the Franchise Agreement. Factors which will affect your opening date include selecting and acquiring the location for your Grain & Berry™ Restaurant, remodeling or constructing your business premises, obtaining the required licenses, the delivery of your furniture, fixtures and equipment, acquiring inventory and supplies, obtaining financing (if applicable), hiring and training your employees, and completing the training program. You must obtain written approval from us to open your Grain & Berry™ Restaurant.

(6) Some states and municipalities also may require separate training before permitting the business to open. You should check your state and local laws.

(7) You, your Manager and/or previously trained and experienced Managers must attend any periodic refresher training courses that we or our designees provide from time to time and pay the applicable fees. This additional or periodic training may also include, at your expense, training provided by industry related organizations that we may designate. You also will have to pay us for training new Managers hired after the Grain & Berry™ Restaurant's opening. The employee training program must be conducted by trainers that we have approved who have also satisfactorily completed our training. When training is onsite, you must provide an alternative training facility if we feel that construction or other distractions prevent us from satisfactorily performing the training on premises. Currently, we charge \$600 per trainee and \$1,000 per trainer per day, plus travel and living expenses for additional training or periodic training. See Item 6.

ITEM 12 TERRITORY

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

Grain & Berry™ Restaurants Program.

Site. The franchise is granted for a specific location that first must be approved by us (the "Site"). If your Site is not approved by us when you sign the Franchise Agreement, you must locate a suitable Site and obtain our approval of the Site in which it must be located.

Site Selection Area. The Site you select must be must be located within the "Site Selection Area" designated by us. Site Selection Areas are generally chosen as one or more zip codes. If you and we have not agreed on a Site Selection Area when you sign the Franchise Agreement, we will provide you up to 60 days following its signing to obtain our approval of a proposed Site Selection Area (the Franchise Agreement will indicate the state in which it will be located). If you and we cannot agree on the Site Selection Area within those 60 days, we in our sole discretion, can either designate it (and specify it in Exhibit F to the Franchise Agreement) or, terminate the Franchise Agreement. If we terminate the Franchise Agreement, we do not provide any refunds of fees or monies paid.

Protected Market Area. We will also designate a geographic area as your "Protected Market Area". If your Protected Area is not designated when you sign the Franchise Agreement, we will designate it in our sole discretion within 10 days of our approval of your Site. As long as you are in compliance with the Franchise Agreement, we will not grant a franchise for, nor ourselves operate, a Grain & Berry™ Restaurant from a fixed location within your Protected Market Area. Other than your right to operate a Grain & Berry™ Restaurant at its address within the Protected Market Area, we do not grant you any territorial rights whatsoever (unless you participate in the Development Program). Unless otherwise negotiated, Protected Market Areas are the areas we designate in our sole discretion that have up to 30,000 persons residing or working in it. Protected Market Areas are not uniform among franchisees, are irregular

shaped, and detained by us by our using various mapping software, like Google maps along with US Census data and other demographic data we chose.

Factors that influence our grant of Protected Market Areas if different from the 30,000 persons residing in it, include the proximity of the Site to the malls, shopping centers, business parks, industrial parks, airports, traffic count, speed of traffic, consumer patterns, access to the Site, and competition in the Protected Market Areas. We have no obligation whatsoever to provide you a Protected Market Area with a certain minimum number of people.

Other Grain & Berry™ Restaurants. We may establish other Grain & Berry™ Restaurants (franchised or owned by us) anywhere outside of the Protected Market Area that may or may not compete with your location. We may utilize any type of Internet, Intranet, e-mail, site or website or other means of electronic communication to offer or sell anywhere (even within your Protected Market Area), products and services bearing the Marks or Copyrights without any compensation to you.

Alternative Channels of Distribution. We retain the right (in our sole discretion) to sell products identified by the Marks and Copyrights through distribution channels other than Grain & Berry™ Restaurants (including mobile Grain & Berry™ Restaurants activities like catering, cafeterias, airports, transit terminals, sporting events, "races" and other mass gathering locations, competitions, internet, intranet, catalog sales, websites, e-mail or other forms of e-commerce) ("**Alternative Channels of Distribution**"). You will not receive compensation for sales through Alternative Channels of Distribution unless we later establish a compensation program for doing so under our System Standards.

We will not reduce the size of your Protected Market Area even if the population in it increases. Likewise, we will not expand the size of your Protected Market Area if the population in it decreases. You will not be required to meet certain sales minimum performance levels during the term of your Franchise Agreement to retain exclusive rights in the Protected Market Area.

Continuing your Franchise or territorial rights depends on your achieving certain sales value, market penetration or other contingency (except, of course, your compliance with the Franchise Agreement and all other agreements with us). You must meet or exceed the minimum "Performance Goal" of \$30,000 of Gross Sales per month, beginning on the 6th month following your Opening Date. If you fail to do so, we may (1) eliminate your Protected Area; (2) require some other form of cure we designate in our sole discretion; or (3) terminate your Franchise Agreement. Other than your failure to meet the minimum Performance Goal or your other breach of the Franchise Agreement, once we establish your Protected Market Area, there are no circumstances that allow us to modify your territorial rights to the Protected Market Area during the initial term of your Franchise Agreement. However, in a renewal (successor Franchise) or transfer situation, we may require you or the transferee to accept a different Protected Market Area based on our then current policies. You do not receive any rights of first refusal, options, rights to acquire additional franchises or territory or other expansion rights or similar rights by signing the Franchise Agreement.

Site Approval. You must locate and obtain our approval of the Site within six (6) months after the date the Franchise Agreement is signed. You must sign a lease or purchase agreement for the site within 7 months of signing the Franchise Agreement. We will approve or disapprove of a Site proposed within 30 days of your providing the materials we request for approving a Site. The Site must be open for customers within twelve (12) months of the date it is approved. We may extend the deadline to open it up to a total of thirteen (13) months (using up to one (1) 30-day extensions) from the date you sign the Franchise Agreement, if you are complying with our System Standards for identifying, leasing, constructing and renovating the Site. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other stores and other Grain &

Berry™ Restaurants, the nature of other stores in proximity to the Site and other commercial and aesthetic characteristics. For example, some of our current guidelines for Sites include: traffic patterns of consistent volume level, a sufficient number of parking spaces; proximity to commercial corridors; convenient access with easy left or right-hand ingress or egress; sufficient population within proximity to the Grain & Berry™ Restaurant; and lack of competitors in close proximity. We include one Site selection trip of up to three days with the Franchise Fee. Additional trips are at our discretion. If you and we fail to agree on a Site within the time we permit, we may terminate the Franchise Agreement.

If you lease the Site from a third party, or purchase the Site, we require that they contain certain provisions that are designed to protect our rights. These required terms generally protecting our rights under the Franchise Agreement, our ability to possess the Site if you violate any of your obligations to us, and your right to occupy the Site and operate the Grain & Berry™ Restaurant without interference by lenders and mortgage holders. Any person who is related to or affiliated with you or one of your owners, directors, officers or other principals, and who plans to lease the Site to you or own or obtain financing for the Site, must agree to be bound by these provisions. The terms we require that you include in your lease also allow us to take possession of the Site if you violate the lease or any obligation to us under the Franchise Agreement or any other agreement with us. You still will be responsible for all lease obligations covering the time before we take over. If you and the landlord for the Site are or become related in ownership or control, and we eventually take over the Site, any lease will be amended to be the same length as the Franchise Agreement, to be consistent with commercially reasonable "triple-net" leases being signed in your metropolitan area and to reflect the Site's fair market rental value in your metropolitan area. The Site is not fully approved by us until we receive a fully executed lease or acquisition agreement for the Site (the Final Site Approval Date). But, we do not review your lease or purchase agreement before you sign them and do not provide legal or real estate advice regarding its terms. Prior to our approving you to sign a lease or purchase agreement for the Site, you will be required to hire the services of a third party construction or other professional to provide you a pro forma construction cost analysis for your Site that estimates the costs of all necessary build-out of the Site to meet our System Standards and local, federal or state laws, rules or regulations.

Options or Right of First Refusal

The Franchise Agreement does not grant you any options, right of first refusal or similar right to acquire additional franchises. You do not receive any rights of first refusal, options, rights to acquire additional franchises or territory or other expansion rights or similar rights by signing the Franchise Agreement.

Rights We Retain

Under the Franchise Agreement Program, we (and our affiliates) retain the right in our sole discretion to:

A. Establish and grant to our franchisees the right to establish Grain & Berry™ Restaurants anywhere outside the Protected Market Area, on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Market Area);

B. Operate, and grant franchises to others to operate Grain & Berry™ Restaurants, whether inside or outside the Protected Market Area, specializing in the sale of products or provision of services, other than a Competitive Business, using certain of the Marks or Copyrights and pursuant to such terms and conditions as we deem appropriate;

C. Operate, and grant franchises to others to operate Grain & Berry™ Restaurants, whether inside or outside the Protected Market Area that do not use the of Marks or Copyrights;

D. Market and sell, inside and outside of the Protected Market Area, through Alternative Channels of Distribution goods and services competitive with goods and services offered by Grain & Berry™ Restaurants under the Marks or under trade names, service marks, or trademarks other than Marks, without any compensation to you and in such amounts in such manner as we determine in our sole discretion; and

E. Engage in any act or exercise any right not expressly and exclusively provided to you under your agreement with us.

We are not required to pay you if we exercise any of the rights described above inside of your Protected Market Area. We do not restrict you from soliciting or accepting customers from outside of your Protected Market Area for on-premises sales at your Grain & Berry™ Restaurant. You do not have the right to use Alternative Channels of Distribution to make sales where the Products or Services are provided at locations other than your Site.

You may not relocate your Grain & Berry™ Restaurant without our previous written approval. We will grant approval in most instances if you are in full compliance with your Franchise Agreement, have paid all money owed to us and our affiliates and the proposed location meets our Site selection criteria and you comply with the lease requirements in the Franchise Agreement. If you obtain approval of the replacement Site and lease in accordance with our then current Site approval process, you must reopen the Grain & Berry™ Restaurant at the replacement Site as soon as practicable, but in no event more than thirty (30) days after the closing of the original Site.

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

A. Other Franchises.

We and our affiliates do not operate and have not operated or franchised, and do not currently plan to operate or franchise other stores selling or leasing similar products or services under different trademarks.

B. Territorial Disputes Among Franchisees.

We have no contractual obligation to resolve disputes among franchisees. Our current policy is that we may exercise what we believe to be appropriate efforts to resolve any conflicts which arise in our System concerning our distribution activities, or involving territory, customers, or support. We may impose fees or fines to resolve territorial disputes if they involve breaches of our System Standards. See Item 6. If you have a conflict, you should contact our compliance department at compliance@grainandberry.com for independent review and decision. Conflict issues will be addressed on a case-by-case basis. Our office in Palm Harbor, Florida, handles the Site approval, franchisee disputes and territorial resolution activities of all Grain & Berry™ Restaurants, regardless of who owns or operates the Grain & Berry™ Restaurant. Training facilities for all Grain & Berry™ Restaurants are currently maintained or arranged in Palm Harbor, Florida.

Except as previously described in this Item 12, neither we nor any of our affiliates has established or presently intends to establish other franchises or company-owned or affiliate owned outlets which sell similar products or services under a different tradename or trademark. However, we and our affiliates have retained the right to do so.

There are restrictions on customers to whom you may sell, and all sales must be made at your Grain & Berry™ Restaurant. You may not sell any goods or services from or to any location other than your Grain & Berry™ Restaurant.

We can solicit and accept orders for Alternative Channels of Distribution from within your territory (Protected Market Area).

ITEM 13 TRADEMARKS

Primary Trademark.

We grant you the right to use certain trademarks, service marks and other commercial symbols in operating a Grain & Berry™ Restaurant. The primary trademarks we use are the "GRAIN & BERRY" (wordmark and design mark) and other names, logos, symbols, and associated designs and trade dress (the "Marks"). You may use and we require you to use the Marks in operating your Grain & Berry™ Restaurant.

Trademark Registration.

Our affiliate, Acai Group, LLC, has filed a registration for the following Mark on the Supplemental Register of the United States Patent and Trademark Office (the "PTO"):

MARK	REGISTRATION (R) OR SERIAL (S) NUMBER	REGISTRATION DATE	CLASS
Grain & Berry Café (standard character mark)	88055677	July 27, 2018	IC 043 US 100 101

Our affiliate, Acai Group, LLC, has also filed a State of Florida trademark registration for Grain & Berry Café and it received its registration on November 15, 2017, Registration Number T17000001404.

We license the Marks above from our affiliate, Acai Group, LLC under a written license agreement. There are no circumstances where the termination of that license would terminate or limit your right to license (use) the Marks.

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

There are no currently effective material determinations of the UPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, cancellation or opposition proceedings or material litigation, involving the Marks. No affidavits or renewal applications have become due and are yet to be filed.

Use of the Marks.

There are no material limitations on your use imposed by any license agreement nor any relevant circumstances under which such license agreement may be canceled or modified in a manner material to the franchise. There are no currently effective agreements that significantly limit our rights to use the Marks in a manner material to the franchise.

You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Infringements.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We have sole discretion to take any action (including no action) as we deem appropriate and the right to control exclusively any litigation, PTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks. While we may choose to do so, we are not required to protect your right to use the Marks, or protect you from claims of infringement or unfair competition arising out of your use of the Marks. The Franchise Agreement does not require us to defend the Marks or to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed to you by us or if the proceeding is resolved unfavorably to you.

We are not aware of any infringing users of our Mark.

The case of Frutta Bowls Franchising, LLC v. Justin Bitner, Douglas Lang and Jack E. Kessler, III (U.S.D.C. N.J., Civ. Action #2018-2446 FLW-DEA (Dec. 21, 2018) includes claims of trade dress infringement and trade secret infringement. If the plaintiffs prevail, you may be required to modify your trade dress and methods of operations or be subject to other injunctive relief.

Changes to the Mark.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of 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. If so, we will reimburse you for your reasonable direct expenses of changing the Grain & Berry™ Restaurant's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

Other than as described above, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise that are owned or licensed by us. Neither we nor our affiliates have any pending patent applications that are material to the franchise.

The term "Ancillary Business Operations" means business activities that we periodically specify as being ancillary and optional to the main business of the Grain & Berry™ Restaurant, those which we must approve, and those which independent contractors (rather than a Grain & Berry™ Restaurant employee) may traditionally perform. Ancillary Business Operations include activities like live music, art classes or similar events, or any other event at the Grain & Berry™ Restaurant performed by a third party for which the third party receives compensation from your customers. We may specify in the Manuals and periodically modify those business activities that will be Ancillary Business Operations. "Core Business Operations" means all business activities of or associated with the Grain & Berry™ Restaurant that are not Ancillary Business Operations. Core Business Operations include activities like the Grain & Berry™ Restaurant's food, coffee and other beverage preparation and sales. Your Grain & Berry™ Restaurant must offer or perform (as applicable) all Core Business Operations, as we periodically modify them.

You and your employees must perform all Core Business Operations at the Grain & Berry™ Restaurant, and you may not contract with or allow any third party, including any licensee, lessee, consultant or other independent contractor (a "Contractor"), to perform any Core Business Operations. You must periodically at our request provide us information concerning your Grain & Berry™ Restaurant's Core Business Operations, Ancillary Business Operations and relationships with Contractors.

At your option, but subject to our prior written approval and your compliance with all terms and conditions of the Franchise Agreement, you may (i) allow one or more Contractors to perform any or all of the Ancillary Business Operations, provided that they may not use the Marks when doing so and that you enter into an arm's-length commercial relationship with each Contractor; or (ii) perform any or all Ancillary Business Operations yourself (through your employees), either under the Marks or under any trademark, service mark or trade name other than the Marks ("Other Mark") that you own or license from a third party (an "Ancillary Trademark Licensor"). As a condition to obtaining our approval:

(a) You must first submit to us all agreements and other documents evidencing the relationship between you and each Contractor or Ancillary Trademark Licensor with respect to any Ancillary Business Operations and promptly notify us of any changes in the terms of your relationship with any Contractor or Ancillary Trademark Licensor;

(b) You and each Contractor or Ancillary Trademark Licensor must sign the agreements and documents we periodically specify to protect our rights in the System, Confidential Information and the Marks;

(c) If a Contractor performs the Ancillary Business Operations, you and the contractor must have an arm's-length commercial relationship with economic and other terms that are standard in the industry for similar relationships involving unrelated parties; and

(d) If a Contractor performs the Ancillary Business Operations or you perform the Ancillary Business Operations under Other Marks, such Ancillary Business Operations must not use or display the Marks in any manner, must be clearly distinguishable from your Grain & Berry™ Restaurant's other operations, and must be clearly identified in the manner we periodically specify as an independently owned and operated business separate from the Grain & Berry™ Restaurant.

You must comply with the reciprocity and transfer programs we implement, as we periodically modify them. We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may sell or as to the customers to whom you may offer such goods or services.

We claim copyright protection and proprietary rights in all copyrightable aspects of the System, including our Operations Manual, our website, correspondence and communications with you or other franchisees relating to the System, training, advertising and promotional materials and other written materials used in operating a Grain & Berry™ Restaurant.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect that limit our right to use and/or authorize franchisees to use the copyrighted materials. There are no infringing uses actually known to us which could materially affect use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when in the best interest of the System. We need not participate in your defense and/or indemnify you for damages or expenses in proceedings involving a copyright.

The Operations Manuals and other materials and information we may give you access to contains our confidential information that we treat as trade secrets. This information includes, but is not limited to, methods, formats, specifications, formulas, recipes, product and service offerings, standards, procedures, sales and marketing techniques, knowledge of and experience in developing and operating Grain & Berry™ Restaurants, knowledge of specifications for and suppliers of certain fixtures, equipment, materials and supplies, and knowledge of the operating results and financial performance of Grain & Berry™ Restaurants. You and your owners must not communicate or use our confidential information for the benefit of anyone else during the term of the Franchise Agreement. After the Franchise Agreement terminates or expires, you and your owners may no longer use the confidential information and must return it to us. We may require your employees, independent contractors or agents to sign a form of nondisclosure and non-competition agreement. We may regulate the form of agreement that you use and may require that we be made a third party beneficiary of that agreement with independent enforcement rights.

If you or your owners develop or learn of any new ideas, concepts, processes, techniques or improvements relating to the operation or promotion of your Grain & Berry™ Restaurant, you must promptly notify us and give us all necessary information about such ideas, concepts, processes, techniques or improvements, without compensation. These ideas, concepts, processes, techniques or improvements will be considered our property and part of the System and will be considered works made-for-hire for us. You and your owners must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, processes, techniques or improvements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under any Franchise Agreement, continuously exert your best efforts to promote and enhance Grain & Berry™ Restaurants and not engage in any other business or activity that conflicts with your obligations to operate your Grain & Berry™ Restaurant in compliance with the Franchise Agreement.

Either you, or one (1) of your principal owners (with ownership of at least 20% of your voting securities if you are a business organization (like a corporation, limited liability company or limited partnership)) (a “**Business Entity**”) must meet our qualifications for Grain & Berry™ Restaurant business managers and participate personally in the direct (active) operation of Grain & Berry™ Restaurant or the

supervision of its Café Managers ("**Business Manager**"). The Business Manager must have authority to act on behalf of the Business Entity.

The person responsible for "general manager" type duties and authority of your Grain & Berry™ Restaurant must meet our qualifications for a "**Café Manager**" and must be trained by and approved by us. Our current qualifications for Café Managers are: (i) have a sufficient amount of experience to demonstrate to us that he/she is capable of managing a Grain & Berry™ Restaurant; (ii) have management responsibility and authority over the Grain & Berry™ Restaurant on a day-to-day basis; (iii) be actively employed on a full-time basis to manage Grain & Berry™ Restaurant operations; and (iv) satisfactorily complete our Initial Training program and any other training programs we require during the term of your Franchise Agreement.

Either the Business Manager or a qualified Café Manager must be at the Site at all times when your Grain & Berry™ Restaurant is open.

We require your owners and employees to sign Confidentiality and Non-Solicitation and Non-Competition Agreements with you that lists us as a third party entity. You will need to have these prepared by your attorney and insure that they impose the same restrictions as are provided under the Franchise Agreement.

If you are a Business Entity, or if your spousal/marital assets (or trust(s)) are used to meet our financial qualifications, your owners and your spouse must personally guarantee your obligations under the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of "**Owner's Guaranty**" is attached as Exhibit "F". We require you to complete a "**Owner's Statement**" in the form attached as Exhibit "E", describes all of your owners and their interests in you.

We have the right to modify System Standards which may accommodate regional or local variations, and any such modifications may obligate you to invest additional capital in the Grain & Berry™ Restaurant ("**Capital Modifications**") and/or incur higher operating costs; provided, however, that such modifications will not: (a) occur within 12 months of signing your Franchise Agreement; or (b) alter your fundamental status and rights under your Franchise Agreement. We will give you 30 days to comply with Capital Modifications but if a Capital Modification requires an expenditure of more than \$10,000, we will give you 60 days to comply. There is no limit on your requirement to make Capital Modifications, other than we will not require you to make them unless we determine they can be amortized over the initial or successor terms of the Franchise Agreement (unless we agree to extend the term to enable the amortization). Capital Modifications are in addition to costs you incur to repair, replace or refurbish your equipment and fixtures. In addition, Capital Modifications do not include expenditures you are required or choose to make to comply with applicable laws, governmental rules or regulations (e.g., ADA compliance).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and use all products, and perform all services, that we require from time to time for Grain & Berry™ Restaurants. You may not offer for sale or use any products or perform any services that we have not authorized (See Items 8 and 9). Our System Standards may regulate required or authorized products, product categories and supplies. We have the right to change the types of required and/or authorized goods and services from time to time. Other than limits imposed by applicable laws, rules and regulations relating to installation services, there are no limits on our right to do so. See Item 1.

We do not impose restrictions or limitations on your access to customers other than marketing outside your Protected Market Area. But, we prohibit or limit your use of Alternative Channels of

Distribution. We may designate maximum and minimum retail prices to the extent permitted by governing law (See Item 12).

ITEM 17 **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

ITEM 17: THE FRANCHISE RELATIONSHIP		
This table lists certain important provisions of the Franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.		
Provisions	Section in franchise or other agreement	Summary
(a) Length of the Franchise Term	Franchise Agreement ("FA"): Section 2.3	10 years beginning on your "Opening Date." Your Opening Date is the date you are approved to open your Grain & Berry™ Restaurant for business. See Section 5.1 of the FA.
(b) Renewal or extension of the term	FA: Section 3	If you are in good standing, you can acquire up to 4 successor franchises each for additional 5-year terms on our then current terms and conditions.
(c) Requirements for you to renew or extend	FA: Section 3	You must: maintain the Site or secure substitute Site; bring Grain & Berry™ Restaurant into compliance with our then current specifications and standards; sign new Franchise Agreement and ancillary agreements, general releases and agreement not to sue; satisfactorily complete training and refresher programs; and sign a general release in the format attached as Exhibit "G" to this Disclosure Document. You will be asked to sign a contract (a successor Franchise Agreement) with material terms and conditions of your original contract, but the boundaries of the Protected Market Area will remain the same, and the monthly fee upon renewal will not be greater than the monthly fee that we then impose on similarly situated renewing franchisees. When renewing, you may be asked to sign a contract with materially different terms and conditions than when you signed your original contract.
(d) Termination by you	FA: Sections 4.1 and 16.1	If we breach the agreement and do not cure the breach after 60-days notice from you, you may terminate 60 days after you provide us with written notice of termination. Also, you may terminate if you and we cannot agree on your initial Site within 12 months from the date you sign the Franchise Agreement.
(e) Termination by us without cause	Not Applicable	Not Applicable.
(f) Termination by us with cause	FA: Section 16.2	We can terminate only if you commit one of several violations.

ITEM 17: THE FRANCHISE RELATIONSHIP

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

Provisions	Section in franchise or other agreement	Summary
(g) "Cause" defined - defaults which can be cured	FA: Sections 16.2	You have 5 days to cure health, safety, environmental or sanitation law violations, 10 days to cure monetary defaults to us or approved suppliers, 30 days to cure noncompliance with any provision other than Section 16.2 of the Franchise Agreement or the System Standards. We may terminate the Franchise Agreement if you fail to meet or exceed the minimum Performance Goal and you do not perform the cure we designate in the time period we designate. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq.).
(h) "Cause" defined - non-curable defaults	FA: Section 16.2	Non-curable defaults include material misrepresentation or omission, failure to complete training, failure to select a Site Selection Area within 60 days of signing the Franchise Agreement, failure to obtain our approval of the Site and provide us a copy of the fully executed lease/acquisition agreement for the Site within 6 months of the Agreement Date (may be longer for 2 nd or 3 rd Grain & Berry™ Restaurant if under and Area Development Addendum) or fail to open Grain & Berry™ Restaurant within 12 months of the Agreement Date or six months after Final Site Approval Date (unless an extension is granted), abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, dishonest or unethical conduct, unauthorized assignment of the Franchise Agreement or of an ownership interest in you or the Grain & Berry™ Restaurant, loss of the Site, unauthorized use or disclosure of the Manuals or Confidential Information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due; and your refusal to provide us, or failure to provide us continuous access to your Computer System data.

ITEM 17: THE FRANCHISE RELATIONSHIP

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

Provisions	Section in franchise or other agreement	Summary
(i) Your obligations on termination/non-renewal	FA: Section 17; Lease Assignment; Conditional Assignment (1)	Obligations include: payment of outstanding amounts; complete de-identification; return of confidential information; for a sufficient period (up to 60 days) to allow us to determine if you are complying with post-termination obligations or allow us to exercise our right to purchase the Grain & Berry™ Restaurant, you must refrain from selling, leasing, encumbering or disposing of, gifting or making available to any third party, the furniture, fixtures, equipment, lease, real property, inventory or personal property (also see (r) below). You must comply with our assumption of your location's management or notification of members and transfer of membership procedures. You also consent to our obtaining injunctive relief to enforce post-termination rights. You also agree not to hire our or our franchisees' personnel for at least 6 months following termination or expiration.
(j) Assignment of contract by us	FA: Section 15.1	No restriction on our right to assign.
(k) "Transfer" by you- definition	FA: Section 15.2	Voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you or the Grain & Berry™ Restaurant.
(l) Our approval of transfer by you	FA: Section 15.2, 15.3 and 15.4	We have the right to approve all transfers, even to a Business Entity controlled by you.
(m) Conditions for our approval of transfer	FA: Section 15.3	New franchisee qualifies, you pay us a transfer fee of 50% of our then current Franchise Fee (or \$1,000 if to an entity the Franchisee controls, and there are no new owners) plus all costs and all amounts due, transferee and its managerial employees agree to complete training, transferee agrees to be bound by terms and conditions of Franchise Agreement, transfer fee paid, we approve material terms, you subordinate amounts due to you, and you sign other documents we require - including general releases and agreement not to sue in the form provided in Exhibit "G". The release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (also see (r) below). Costs due on transfer include all franchise broker or business broker fees due by us, the transferor or the transferee to third parties.

ITEM 17: THE FRANCHISE RELATIONSHIP

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

Provisions	Section in franchise or other agreement	Summary
(n) Our right of first refusal to acquire your business	FA: Section 15.8	We can match any offer for an ownership interest in you, your Franchise Agreement or your Grain & Berry™ Restaurant provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify.
(o) Our option to purchase your business	FA: Section 17.5	We have the option to buy the Grain & Berry™ Restaurant, including leasehold rights to the Site, at fair market value after our termination, or your termination without cause, of the agreement (but not expiration).
(p) Your death or disability	FA: Sections 15.5 and 15.6	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period prior to the assignment. Assignment is subject to our right of first refusal.
(q) Non-competition covenants during the term of the franchise	FA: Sections 10 and 17	No interest in a competitive business, no controlling ownership interest in, or performance of services for, a competitive business anywhere, no recruiting or hiring of any person who is our employee or an employee of any Grain & Berry™ Restaurant. A competitive business means any business or facility owning, operating or managing or granting franchises or licenses to others to do so, any store, café, restaurant or facility (on a fixed or mobile basis), business, service, event, that features "food bowl" type menu using Acai berry and/or grain based menu items, health foods, salads, sushi, sashimi products or services or related products that are the same or similar to the Products and Services offered by Grain & Berry™ Restaurants (other than a Grain & Berry™ Restaurant under a franchise agreement with us). A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, franchise seller, area representative or the like for any business franchising or licensing Competitive Businesses other than us. We may also prohibit you from hiring our or other franchisees' management level personnel without first obtaining our or the other franchisee's permission to do so. If you violate these employee non-solicitation obligations, you will be responsible for payment to us or our designee liquidated damages in the amount of

ITEM 17: THE FRANCHISE RELATIONSHIP

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

Provisions	Section in franchise or other agreement	Summary
		4 times that person's most previous annual compensation. These prohibitions apply to you, your owners, officers, directors and any of their immediate family members, fiancées, life partners or the like
(r) Non-competition covenants after the franchise is terminated or expires	FA: Section 17.7	No interest in Competitive Businesses for 2 years at, or within 25 miles of, the Site or Protected Market Area, or at, within or within 25 miles of the Site or Protected Market Area any other Grain & Berry™ Restaurant in operation or under construction (same restrictions apply after assignment).
(s) Modification of the agreement	FA: Section 21.18	No modifications except by written agreement, but Manuals and System Standards are subject to change.
(t) Integration/merger clause	FA: Section 20.18	Only the terms of the Franchise Agreement (including the Manuals, System Standards, addenda and exhibits) are binding (subject to FTC Rule and federal law (and state law not inconsistent). Any other statements or promises not in the Franchise Agreement, the agreements which are exhibits to this disclosure document, or in this Disclosure Document should not be relied upon and may not be enforceable. Nothing in the Franchise Agreement or in any related agreements is intended to disclaim the representations we made in the Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	FA: Sections 14 and 21.1;	Except for disputes relating to (a) use of the Marks or Copyrights, and breaches of the restrictive covenants; (b) obligations upon termination or expiration, (c) violation of Confidentiality and non-competition provisions, all disputes and controversies are to be resolved by arbitration, governed by the Federal Arbitration Act and resolved according to the Code of Procedure of the National Arbitration Forum (subject to state law).
(v) Choice of forum	FA: Section 21.4;	Arbitration or litigation in Hillsborough County, Florida (subject to federal law and state law)
(w) Choice of law	FA: Section 21.12;	Florida law applies. (Subject to state law)

A provision in your Franchise Agreement that terminates the franchise on your bankruptcy may not be enforced under Title 11, United States Code Section 101.

If any termination or expiration of the Term of the franchise would violate applicable law, we may reinstate or extend the Term for the purpose of complying with that law.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. We recommend you carefully review

all of these provisions, and each of the agreements attached to this disclosure document in their entirety. We also recommend you consult with a lawyer regarding your legal rights and obligations. See Exhibit "A" for State Specific Addenda and Exhibits.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Douglas Lang, 33840 U.S. Hwy 19 N., Palm Harbor, Florida 34684; (727) 224-9094; dlang@grainandberry.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Unit Franchises

ITEM 20 Systemwide Outlet Summary For Years 2016 to 2018				
Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	2	+2
Company-Owned	2016	0	0	0
	2017	0	2	2
	2018	2	2	0
Total Outlets	2016	0	0	0
	2017	0	2	2
	2018	2	4	+2

Exhibit "K" contains the names of all current Grain & Berry™ Restaurant franchisees and their address and telephone numbers as of the date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers while you are part of and when you leave the System.

All data for each "year" is as of our fiscal year end—December 31. For all charts in this Item 20, the year indicated is for the fiscal year ending as of December 31 of that year.

Table No. 2
Unit Franchises

ITEM 20 Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor) For Years 2016 to 2018.		
Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

Table No. 3
Unit Franchises

ITEM 20. Status of Franchised Outlets For Years 2016 to 2018								
Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina- tions	Column 6 Non- Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Florida	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
Total	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2

Table No. 4
Company-Owned Outlets

ITEM 20 Status of Company-Owned Outlets For Years 2016 to 2018							
Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Florida	2016	0	0	0	0	0	0
	2017	0	2	0	0	0	2
	2018	2	0	0	0	0	2
Total	2016	0	0	0	0	0	0
	2017	0	2	0	0	0	2
	2018	2	0	0	0	0	2

Table No. 5
Unit Franchises

ITEM 20 Projected Openings as of December 31, 2018 (and as of the date of this Disclosure Document)			
Column 1 State	Column 2 Agreements Signed But Outlet Not Opened	Column 3 Projected New Outlets in the Next Fiscal Year	Column 4 Projected New Company- owned Outlets in the Current Fiscal Year
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	10	10	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0

ITEM 20 Projected Openings as of December 31, 2018 (and as of the date of this Disclosure Document)			
Column 1 State	Column 2 Agreements Signed But Outlet Not Opened	Column 3 Projected New Outlets in the Next Fiscal Year	Column 4 Projected New Company- owned Outlets in the Current Fiscal Year
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Total	10	10	0

Exhibit L lists the city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Grain & Berry™ Restaurant who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has 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 other buyers when you leave the franchise system.

Exhibit L includes a list of each Grain & Berry™ Restaurant who has signed a Franchise Agreement, but has not yet opened for business.

During the past 3 years, each of the former franchisees listed in Exhibit L have signed confidentiality clauses.

In some instances, current and former franchisees sign or will be asked to sign provisions restricting their ability to speak openly about their experience with the Grain & Berry™ Restaurants 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.

To the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specified franchisee organization associated with the franchise system being offered which we have created, sponsored or endorsed: None.

No independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2018 and December 31, 2017 and unaudited financial statements as of July 31, 2019, are attached as Exhibit "B" to this disclosure document. We do not have any Parent or Affiliates who guarantee our performance.

ITEM 22 CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included as exhibits to this Disclosure Document. These include:

Exhibit A	State Specific Addenda and Exhibits
Exhibit C	Form of Franchise Agreement
Exhibit D	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit E	Form of Owner's Statement
Exhibit F	Form of Owner's Guaranty
Exhibit G	Form of General Release (Successor Franchise, Assignment/Transfer)
Exhibit H	Form of Electronic Funds Transfer Agreement
Exhibit I	Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit N	Franchise Compliance Certification
Exhibit O	Receipts

ITEM 23 RECEIPTS

You will find copies of a detachable receipt in Exhibit "O" at the very end of this disclosure document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
CALIFORNIA DISCLOSURE DOCUMENT**

The following paragraphs are added to the Disclosure Document:

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

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.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

California Law Regarding Termination and Non-renewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

Post-Termination Non-competition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Florida with certain exceptions. These provisions may not be enforceable under California law.

Area Representatives. If an area representative or area developer is in your area, we may use the area developer or area representative to provide services to you; however, they are not parties to the franchise agreement you will sign.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

None of the franchisor, any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et. seq., suspending or expelling such persons from membership in such association or exchange:

**ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
ILLINOIS DISCLOSURE DOCUMENT**

1. Item 17 of this Disclosure Document is modified to:

(a) Include the following paragraphs at the end of the Item 17 chart:

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

The Illinois Franchise Disclosure Act will govern any franchise agreement if: (a) it applies to a franchise located in Illinois; or (b) a franchisee who resides in Illinois

The franchise agreement will become effective on its acceptance and signing by us in the State of Florida. The franchise agreement will be interpreted and construed under the substantive laws of Florida, except to the extent governed by the Illinois Franchise Disclosure Act or the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C., Sections 1051 et seq.). However, any condition of the franchise agreement that designates litigation, jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois.

(b) Under Illinois law, a franchise agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Items 17(v) and (w) are amended to state "none"

2. Any releases and/or waivers that the Franchisor requests the Franchisee to sign must conform with Section 41 of the Act.

3. Item 5 of the Disclosure Document is modified to include:

The Illinois Attorney General's office has imposed a Escrow Agreement requirement because of the Franchisor's financial condition. The Escrow Agreement is attached as Exhibit 1 to this Addendum. The Escrow Agreement holds the initial franchise fees in escrow until we perform all of our pre-opening obligations to you.

**ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
MARYLAND DISCLOSURE DOCUMENT**

1. Item 17 is amended by adding the following language after the table:
 - (a) You may sue in Maryland for claims arising under the Maryland Law. Any claims arising under the Maryland Law must be brought within 3 years after the grant of the franchise.
 - (b) The provision of the franchise agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).
 - (c) Pursuant to COMAR 02.02.08L, the General Release required as a condition of renewal, sale and/or transfer does not apply to any liability under the Maryland Law.

2. We are required to obtain a Franchisor Surety Bond in the amount of your initial Franchise Fees in Item 5 of this Disclosure Document to secure satisfaction of all of our pre-opening obligations to you. The Franchisor Surety Bond is on file with the State of Maryland, Office of the Attorney General, Securities Division.

**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.**

1. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

4. 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.

5. 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.

6. 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:

- (a) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
- (b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (d) 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.

7. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a

provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

8. 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 \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
670 G. Mennen Williams Building
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

**ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
MINNESOTA FRANCHISE AGREEMENT AND
DISCLOSURE DOCUMENT**

The following amends and supersedes any conflicting terms of the Grain & Berry Cafe, LLC Minnesota Franchise Disclosure Document as well as the Grain & Berry Cafe, LLC Franchise Agreement ("Franchise Agreement").

1. Item 5 is amended by adding the following language:

All initial fees and payments shall be deferred until such time as the franchisor completes its initial obligations under the Franchise Agreement.

2. Item 17, summary column for (f) is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure), and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. Item 17, summary column for (m) is amended to add the following:

Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

4. Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

5. The following language is added to the Minnesota disclosure document:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trial, or requiring that you consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

6. Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22. The Franchise Agreement contains provisions requiring a general release as a condition of renewal or transfer of a franchise. Such release will exclude claims arising under Minnesota Statutes 80C.01 through 80C.22. In addition, no representation or acknowledgement by you in the Franchise Agreement is intended to or shall act as a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes 80C.01 through 80C.22.

7. You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rule 2860.4400J. Also, a court will determine if a bond is required.
8. Any limitations of claims sections must comply with Minnesota Statutes, Section 80.17, Subdivision 5.
9. The Franchise Agreement and Item 13 of the Disclosure Document are amended to provide the following:

We will protect your right to use our trademark, service marks, trade names, logo types or other commercial symbols and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding your authorized use of the same.

GRAIN & BERRY CAFE, LLC

YOU

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
NEW YORK DISCLOSURE DOCUMENT**

The last paragraph contained in Item 3 is deleted in its entirety and the following is inserted in its place:

No other person previously identified in Items 1 or 2 of this Disclosure Document:

(a) Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations. There are no pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations;

(b) Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the date of application to register the franchise in New York, 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; or

(c) Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including without limitation, actions affecting a license as a real estate broker or sales agent.

The first sentence in Item 4 is deleted in its entirety and the following is inserted in its place:

No person previously identified in Items 1 or 2 of this Disclosure Document during the 10-year period immediately before the date of this Disclosure Document:

(a) Filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code (the "**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 Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the person held this position in the company or partnership.

Add the following language at the end of summary of (d) Termination by you in Item 17:

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

Add the following language at the end of summary of (j) Termination by you in Item 17:

However, no assignment will be granted except to an assignee that, in our good faith judgment, is willing and able to assume our obligation.

Add the following language at end of summary column of (w) Choice of Law in Item 17 in Item 17:

The foregoing Choice of Law should not be considered a waiver of any right conferred upon us or you by the General Business Law of the State of New York.

Add the following as the Franchisor's Representation:

WE REPRESENT THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
RHODE ISLAND DISCLOSURE DOCUMENT

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

EXHIBIT C TO THE DISCLOSURE DOCUMENT

**FORM OF
FRANCHISE AGREEMENT**



GRAIN & BERRY CAFE, LLC

FRANCHISE AGREEMENT

TABLE OF CONTENTS

1.	INTRODUCTION.....	1
1.1	Grain & Berry™ Restaurant System.....	1
1.2	Products and Services.....	1
1.3	The Marks We Use.....	1
1.4	The Copyrights we Use.....	1
2.	GRANT AND TERM.....	1
2.1	Grant.....	1
2.2	Site.....	1
2.3	Protected Market Area.....	2
2.4	Term.....	2
2.5	Rights We Reserve.....	2
3.	SUCCESSOR TERMS.....	2
3.1	Your Right to Acquire a Successor Franchise.....	2
3.2	Grant of a Successor Franchise.....	3
3.3	Agreements/Releases.....	3
4.	SITE SELECTION AND DEVELOPMENT.....	4
4.1	Site Selection.....	4
4.2	Relocation of the Site.....	4
4.3	Lease of Site.....	5
4.4	Ownership and Financing.....	6
4.5	Site Selection Fee.....	7
4.6	Pro Forma Construction Cost Analysis.....	7
5.	RESTAURANT DEVELOPMENT, DECOR AND OPERATING ASSETS.....	7
5.1	Restaurant Development.....	7
5.2	Décor.....	8
5.3	Pre-Opening Package.....	8
5.4	Operating Assets and Restaurant Materials.....	8
5.5	Changes to Approved Suppliers.....	9
5.6	Compliance with Laws and Good Business Practices.....	10
5.7	Music and Other Audio and Visual Entertainment.....	10
5.8	Business Management System.....	11
5.9	Restaurant Opening.....	11
5.10	Credit and Gift Cards.....	11
5.11	National Conventions.....	11
6.	FEES.....	11
6.1	Franchise Fee.....	11
6.2	Royalty.....	12
6.3	System Development Fees.....	12
6.4	Construction Project Manager Fees and.....	12
6.5	Grain & Berry™ Restaurant Academy Certification Training Fees.....	12
6.6	Third Party Training Expenses.....	12
6.7	Electronic Funds Transfer.....	12
6.8	Definition of Gross Sales.....	13
6.9	Interest on Late Payments.....	13
6.10	Late Payment Fees.....	13
6.11	Application of Payments.....	13
6.12	Payment Offsets.....	14
6.13	Discontinuance of Service.....	14

6.14	Other Fees	14
7.	TRAINING AND ASSISTANCE	14
7.1	Initial Training.....	14
7.2	Grain & Berry™ Restaurant Academy Certification Training	14
7.3	Operations Support.....	15
7.4	Guidance	15
8.	MARKS.....	15
8.1	Ownership and Goodwill of Marks.....	15
8.2	Limitations on Your Use of Marks.....	15
8.3	Notification of Infringements and Claims.....	15
8.4	Discontinuance of Use of Marks.....	16
8.5	Notification of Infringements and Claims.....	16
8.6	Copyrights.....	16
8.7	Copyright Infringements.....	16
8.8	Discontinuance.....	17
8.9	Marks and Copyright Indemnification.....	17
9.	CONFIDENTIAL INFORMATION.....	17
9.1	Types of Confidential Information.....	17
9.2	Disclosure and Limitations on Use.....	18
9.3	Confidentiality Obligations.....	18
9.4	Exceptions to Confidentiality.....	18
10.	EXCLUSIVE RELATIONSHIP.....	18
11.	OPERATION AND SYSTEM STANDARDS.....	19
11.1	Operations Manuals.....	19
11.2	Compliance with System Standards.....	19
11.3	Modification of System Standards.....	20
11.4	Interior and Exterior Upkeep.....	21
11.5	Hours of Operation.....	21
11.6	Operating Accounting, Computers and Records.....	21
11.7	Computer System.....	21
11.8	Trade Operating Accounts and Taxes.....	22
11.9	Retail Prices.....	22
11.10	Approved Products.....	22
11.11	Management.....	22
11.12	Compliance With Applicable Laws.....	22
11.13	Notices.....	23
12.	MARKETING AND PROMOTION.....	23
12.1	Establishment of System Development Fund.....	23
12.2	Use of the Funds.....	24
12.3	Operating Accounting for the Fund.....	24
12.4	System Development Fund Limitations.....	25
12.5	Advertising and Promotion.....	25
12.6	Local Advertising Cooperatives.....	25
12.7	Local Advertising Expenditures.....	26
12.8	Websites and E-Commerce.....	26
12.9	Signage.....	28
12.10	Identification of Franchise.....	29
13.	RECORDS, REPORTS AND FINANCIAL STATEMENTS.....	29
13.1	Operating Accounting System.....	29

13.2	Reports.....	29
13.3	Access to Information.....	29
13.4	Copies of Reports.....	30
14.	INSPECTIONS AND AUDITS.....	30
14.1	Our Right to Inspect the Grain & Berry™ Restaurant.....	30
14.2	Our Right to Audit.....	30
14.3	Independent Shopping Services.....	30
15.	TRANSFER.....	31
15.1	By Us.....	31
15.2	By You.....	31
15.3	Conditions for Approval of Transfer by You.....	31
15.4	Transfer to a Business Entity.....	32
15.5	Transfer Upon Death or Disability.....	32
15.6	Operation Upon Death or Disability.....	32
15.7	Effect of Consent to Transfer.....	33
15.8	Our Right of First Refusal.....	33
16.	TERMINATION OF AGREEMENT.....	34
16.1	By You.....	34
16.2	By Us.....	34
17.	RIGHTS AND OBLIGATIONS UPON TERMINATION.....	35
17.1	Payment of Amounts Owed To Us.....	35
17.2	Marks and De-Identification.....	35
17.3	Confidential Information.....	37
17.4	Competitive Restrictions.....	37
17.5	Our Right to Purchase upon Termination or Expiration.....	37
17.6	Continuing Obligations.....	38
17.7	Additional Competitive Restrictions.....	38
17.8	Assumption of Restaurant's Management.....	39
18.	RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.....	39
18.1	Independent Actors.....	39
18.2	No Liability for Acts of Other Party.....	39
18.3	Taxes.....	39
18.4	Indemnification.....	39
19.	INSURANCE.....	40
19.1	Types Required.....	40
19.2	Coverage Requirements.....	41
19.3	Policy Terms.....	41
19.4	Evidence of Coverage.....	41
20.	ENFORCEMENT.....	41
20.1	Severability; Substitution of Valid Provisions.....	41
20.2	Waivers.....	42
20.3	Limitation of Liability.....	42
20.4	Approval and Consents.....	42
21.	DISPUTES SUBJECT TO ARBITRATION.....	42
21.1	Agreement to Arbitrate.....	42
21.2	Notice of Dispute.....	42
21.3	Demand for Arbitration.....	42
21.4	Venue and Jurisdiction.....	42

21.5	Powers of Arbitrators.....	43
21.6	Disputes Not Subject to Arbitration.....	43
21.7	No Collateral Estoppel or Class Actions.....	43
21.8	Confidentiality.....	44
21.9	Federal Arbitration Act.....	44
21.10	Waiver of Punitive Damages.....	44
21.11	Limitations of Claims.....	44
21.12	Governing Law.....	44
21.13	Jurisdiction.....	44
21.14	Waiver of Jury Trial.....	45
21.15	Cumulative Remedies.....	45
21.16	Costs and Attorneys' Fees.....	45
21.17	Binding Effect.....	45
21.18	Entire Agreement.....	45
21.19	No Liability to Others; No Other Beneficiaries.....	45
21.20	Construction.....	45
21.21	Certain Definitions.....	45
21.22	Timing is of the Essence.....	46
21.23	Exercise of our Business Judgment.....	46
21.24	Electronic Mail.....	46
22.	MISCELLANEOUS.....	46
22.1	No Warranties by Us.....	46
22.2	Your Operation by a Business Organization.....	47
22.3	Your Acknowledgments.....	47
22.4	Your Representations.....	47
23.	NOTICES AND PAYMENTS.....	48
EXHIBITS:		
A	Site Protected Market Area, Fees	
B	Form of Addendum to Lease	
C	State Specific Riders to Franchise Agreement (to be deleted if not applicable)	
D	SBA Addendum	
E	Form of Designation of Protected Area and Site Selection Area	
F	Form of Transfer of Ownership Agreement	

GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is effective as of the date identified as the Agreement Date in Exhibit A (the “**Agreement Date**”), regardless of the date of signatures. The parties to this Agreement are **GRAIN & BERRY CAFE, LLC**, a Florida limited liability company, with its principal business address at 33840 U.S. Hwy 19 N., Palm Harbor, Florida 34684 (referred to in this Agreement as “**we**,” “**us**” or “**our**”), and the person or entity identified as “**you**,” “**your**” or “**Franchisee**” in Exhibit A.

1. INTRODUCTION.

1.1 Grain & Berry™ Restaurant System. Through the expenditure of considerable time and effort, our predecessor and we have developed a distinctive system for the development and operation of “**Grain & Berry™ Restaurants**”. Grain & Berry™ Restaurants are café style eateries that offer: Acai fruit bowls, Pitaya fruit bowls, Spirulina bowls, kale bowls, smoothies, fresh juices, cold pressed juice bottles, toast with toppings, coffee products, other pre-packaged food & drink products, as well as other food, beverage and other products and services we designate or approve.

1.2 Products and Services. Grain & Berry™ Restaurants use our System Copyrights and Marks, and offer, sell only products, services and accessories we designate or approve (the “**Products and Services**”). Grain & Berry™ Restaurants operate under and using distinctive business formats, methods, procedures, designs, layouts, signs, product and service mix, standards, specifications, and System Standards, all of which we may improve, further develop or otherwise modify from time-to-time (the “**System**”). Our Manuals and our System Standards will define in more detail the layout of the Grain & Berry™ Restaurants, method of operations, marketing plans, number of personnel needed, types of Products or Services offered, amount of inventory carried and the like.

1.3 The Marks We Use. To maintain and promote our brand and our company mission, we use, promote and license certain trademarks, service marks and other commercial symbols in the operation of Grain & Berry™ Restaurants, including the trade and service mark “**Grain & Berry**” and other associated logos, designs, symbols and trade dress, which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of Grain & Berry™ Restaurants (the “**Marks**”).

1.4 The Copyrights we Use. We also use, promote and license in the operation of Grain & Berry™ Restaurants certain information capable of being rendered into tangible form that we claim as our Copyrights, including spreadsheets, forms, marketing materials, labels, manuals, pricing lists, vendor lists, menus, advertisements, our website, and any other written materials, marketing materials, advertisements, or slogans (including the look, compilation, feel and content of them) (the “**Copyrights**”).

2. GRANT AND TERM.

2.1 Grant. Subject to the terms of, and upon the conditions contained in this Agreement, we grant you a franchise (the “**Franchise**”) to: (a) operate a Grain & Berry™ Restaurant at the Site indicated in Exhibit A, and at no other location (temporary or permanent); and (b) use the Marks, Copyrights and System solely in connection with operating the Grain & Berry™ Restaurant at the Site. Your signing this Agreement does not grant you any right of first refusal or other rights to acquire additional Grain & Berry™ Restaurants or additional Protected Market Area.

2.2 Site. You have applied for a franchise to own and operate a Grain & Berry™ Restaurant (sometimes referred to as your or the “**Restaurant**”) operating only at a location approved or to be approved

by us (the "Site"). The Site will be designated in Exhibit "A" or Exhibit "E" to this Agreement and made a part hereof by reference if chosen prior to execution of the Franchise Agreement. The Site must be located within the "Site Selection Area" designated in Exhibits A or E. You must operate your Grain & Berry™ Restaurant only from the Site.

2.3 **Protected Market Area.** We will also designate a geographic area as your "Protected Market Area." The Protected Market Area will be the area determined by us in our sole discretion (in general, to be the geographic area chosen by us with up to 30,000 persons delineated by zip codes or other demographic or geographic criteria we designate). We may use software programs we determine in our sole discretion to determine the population. Unless the Protected Market Area is designated in Exhibit A when you sign this Agreement, we will designate it in our sole discretion within 10 days of our approval of your Site. Once determined by us after execution of the Franchise Agreement, the Protected Market Area will consist of the geographic area designated in Exhibit "E" as your Protected Market Area. We will not allow other Grain & Berry™ Restaurants to be physically located in your Protected Market Area. We are not obligated to modify your Protected Market Area if the population in it later changes.

2.4 **Term.** The Term of the Franchise and this Agreement begins on the Agreement Date and expires ten (10) years from such date (the "Term"). This Agreement may be terminated before it expires in accordance with Section 16. However, if you lease the Site and the term of the Lease for the Site (excluding any renewal options) is for a term that is longer than the Term of this Agreement, then the Term of this Agreement will be automatically extended to coincide with the term of the your lease. If you, any of your owners or a Controlled Entity owns, either directly or indirectly, the real estate or the building at the Site, then the term of this Agreement will, at our option, be for 10 years and will not be automatically extended to coincide with the term of the lease.

2.5 **Rights We Reserve.** We (and our affiliates) retain the right in our sole discretion to: (a) Establish and grant to our franchisees the right to establish Grain & Berry™ Restaurants anywhere outside the Protected Market Area on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Market Area); (b) Operate, and grant franchises to others to operate businesses, whether inside or outside the Protected Market Area, specializing in the sale of products or provision of services, other than a Competitive Business (defined in Section 10), using all or certain of the Marks or Copyrights and pursuant to such terms and conditions as we deem appropriate; (c) Operate, and grant franchises to others to operate businesses, whether inside or outside the Protected Market Area, that do not use the Marks or Copyrights; (d) Market and sell, ship, distribute, or provide inside and outside of the Protected Market Area, through Alternative Channels of Distribution, goods and services competitive with goods and services offered by Grain & Berry™ Restaurants under the Marks or under trade names, service marks, or trademarks other than Marks, without any compensation to you except as disclosed in this Agreement; and in such amounts in such manner as we determine in our sole discretion; (e) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. These transactions or conversions may include, but are not limited to, arrangements involving competing outlets and brand conversions (to or from the Grain & Berry™ Marks and System). Such transactions or conversions are expressly permitted under this Agreement, and you agree to participate at your expense in any such transaction or conversion as may be required by us; (f) allow others to establish, own and operate Grain & Berry™ Restaurants in your Protected Market Area, if the rights we have granted to them to do so pre-date your Agreement Date; and (g) engage in any other acts and exercise any rights not expressly and exclusively granted to you under this Agreement.

3. **SUCCESSOR TERMS.**

3.1 **Your Right to Acquire a Successor Franchise.** Upon the expiration of this Agreement, if you (and each of your owners) have substantially complied with this Agreement during its Term, and

provided that: (a) you maintain possession of the Grain & Berry™ Restaurant, and agree to add or replace improvements, equipment and signs and otherwise modify the Grain & Berry™ Restaurant as we require to bring it into compliance with specifications and standards then applicable for Grain & Berry™ Restaurants; (b) if you are unable to maintain possession of the Site, or if in our judgment the Grain & Berry™ Restaurant should be relocated, you secure substitute premises we approve, develop such premises in compliance with specifications and standards then applicable for Grain & Berry™ Restaurants and continue to operate the Grain & Berry™ Restaurant at the Site until operations are transferred to the substitute premises; and (c) you pay to us a Successor Franchise Fee in the amount of (i) 50% of our then current Franchise Fee, plus (ii) any costs and broker fees due that are in any way related to such Successor Franchise. If you meet our requirements for a Successor Franchise in this Section 3, then, subject to the terms and conditions set forth in this Section 3, you will have the right to acquire four (4) Successor Franchises to operate the Grain & Berry™ Restaurant (each a "Successor Franchise"), for additional five (5) year periods on the terms and conditions of the franchise agreement we are then using in granting Successor Franchises for Grain & Berry™ Restaurants.

3.2 Grant of a Successor Franchise. You agree to give us written notice of your election to acquire a Successor Franchise during the first ninety (90) days of the ninth (9th) year of the term of this Agreement. We agree to give you written notice ("Response Notice"), not more than ninety (90) days after we receive your notice, of our decision: (a) to grant you a Successor Franchise; (b) to grant you a Successor Franchise on the condition that deficiencies of the Grain & Berry™ Restaurant, or in your operation of the Grain & Berry™ Restaurant, are corrected; or (c) not to grant you a Successor Franchise based on our determination that you and your owners have not substantially complied with this Agreement during its term. If applicable, our Response Notice will describe the remodeling or other improvements or modifications required to bring the Grain & Berry™ Restaurant into compliance with then applicable specifications and standards for Grain & Berry™ Restaurants and state the actions you have to take to correct operating deficiencies and the time period in which such deficiencies must be corrected. If we elect not to grant a Successor Franchise, the Response Notice will describe the reasons for our decision. Your right to acquire a Successor Franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice. If our Response Notice states that you must cure certain deficiencies of the Grain & Berry™ Restaurant or its operation as a condition to the grant of a Successor Franchise, we will give you written notice of a decision not to grant a Successor Franchise unless you cure such deficiencies, not less than ninety (90) days prior to the expiration of this Agreement. However, we will not be required to give you such notice if we decide not to grant you a Successor Franchise due to your breach of this Agreement during the ninety (90) day period prior to its expiration. If we fail to give you notice of deficiencies in the Grain & Berry™ Restaurant, or in your operation of the Grain & Berry™ Restaurant, within ninety (90) days after we receive your timely election to acquire a Successor Franchise or notice of our decision not to grant a Successor Franchise at least ninety (90) days prior to the expiration of this Agreement, if such notice is required; we may extend the term of this Agreement for such period of time as is necessary in order to provide you with either reasonable time to correct deficiencies or ninety (90) days notice of our refusal to grant a Successor Franchise. Our grant of a Successor Franchise is also conditioned on the satisfactory completion by you or a Manager of any new training and refresher programs as we may reasonably require.

3.3 Agreements/Releases. If you satisfy all of the other conditions to the grant of a Successor Franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Successor Franchises for Grain & Berry™ Restaurants; except that the Royalties and System Development Fee will not change from this Agreement. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for

acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

4. SITE SELECTION AND DEVELOPMENT.

4.1 **Site Selection.** Your Site must be located within the Site Selection Area indicated in Exhibit A. If you have not selected and we have not designated a Site Selection Area prior to signing the Franchise Agreement, you will have 60 days following the Agreement Date to reach mutual agreement on a Site Selection Area. Otherwise, if you fail to do so within those 60 days, we may in our sole discretion designate the Site Selection Area or terminate this Agreement. If you have not selected a Site prior to signing this Agreement, you (with or without our assistance) must, within six (6) months of signing this Agreement, locate a Site for your Grain & Berry™ Restaurant within the Site Selection Area, obtain our approval of the Site, and either provide us your fully executed lease for the Site (or your purchase agreement for the Site) according to our System Standards (collectively, the "**Final Site Approval Date**"). If after the Final Site Approval Date you terminate the lease prior to the Opening Date, it will not count as an approved lease for purposes of designating the Final Site Approval Date. If you and we cannot agree on a Site (the Final Site Approval Date does not occur) within that 6-month period, we may terminate the Franchise Agreement. If so, or if we terminate because you will not agree to a Site Selection Area, we will not be required to refund to you any of the Franchise Fee or any other fees you have paid. But, if you are purchasing multiple Restaurants under our Development Program, we will designate the Site approval dates and Opening Dates for the 2nd and subsequent Restaurants in Exhibit A. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other stores and other Grain & Berry™ Restaurants, the nature of other stores in proximity to the site and the size, appearance and other physical and commercial characteristics of the proposed site. You must use the Site solely for the operation of a Grain & Berry™ Restaurant and must not directly or indirectly operate or engage in any other business or activity from the Site. We will approve or disapprove a Site you propose for a Grain & Berry™ Restaurant within thirty (30) days after we receive from you all of the materials we request concerning the proposed Site. If you do not select, or we do not approve, the Sites reviewed during the initial Site selection trip, any additional Site selection trips, if any, are at our sole discretion. We may also, in our sole discretion, choose not to conduct any Site selection trip and approve or disapprove your proposed Site based on documentation you submit to us. You acknowledge and agree that: (a) our recommendation or approval of the Site, does not imply, guaranty, assure, warrant or predict profitability or success, express or implied; (b) our recommendation or approval of the Site indicates only that we believe that the Site falls within the acceptable demographic and other criteria for sites and premises that we have established as of the time of our recommendation or approval of the Site; (c) application of criteria that have appeared effective with respect to other sites and premises may not accurately reflect the potential for all sites and premises, and, after our approval of a Site, demographic and/or other factors included in or excluded from our criteria could change to alter the potential of a Site and premises; and (d) the uncertainty and instability of such criteria are beyond our control; (e) we will not be responsible for the failure of a Site we have recommended or approved to meet expectations as to potential revenue or operational criteria; we do not make any representation and you will not rely on any representation regarding the terms of your lease, as you are solely responsible for negotiating your lease with any landlord.

4.2 **Relocation of the Site.** You may not operate the Grain & Berry™ Restaurant from any location other than the Site without our prior written consent. If the lease expires or terminates without expiration or termination being your fault, if the Site is destroyed, condemned or otherwise rendered unusable as a Grain & Berry™ Restaurant in accordance with this Agreement, or if, in our sole judgment, there is a change in character of the location of the Site sufficiently detrimental to its business potential to warrant your Grain & Berry™ Restaurant's relocation, we will permit you to relocate the Grain & Berry™ Restaurant to another location within the Protected Market Area provided that you comply with all of our System Standards for a Site relocation and such relocation Site meets our then current Site criteria for

relocation Sites. If you obtain our approval of the replacement Site in accordance with our then current Site approval process, you must reopen the Grain & Berry™ Restaurant at the replacement Site as soon as practicable, but in no event more than thirty (30) days after the closing of the original Site. You are not permitted to relocate the Site of your Grain & Berry™ Restaurant except pursuant to this Section.

4.3 Lease of Site.

(a) **Required Lease Terms:** Our minimum requirements for Sites will be provided in our System Standards, or otherwise communicated to you during training. Our minimum requirements are in no way a representation that Sites meeting such requirements will be profitable, or that your lease terms are favorable or unfavorable for you. You may not sign any LOI, lease, sublease or purchase agreement (or any renewal or amendment thereof) unless it contains the terms that we require in accordance with this Section. But, we are not required to and do not review your lease in advance to ensure your compliance. While we may, in our sole discretion (but have no obligation to) provide you general guidance or assistance relating to the Site or LOI, lease, sublease or purchase agreement, as applicable, and its negotiation. But, even if we do so, you recognize that it is your responsibility to negotiate and choose all lease, sublease or purchase terms, and determine if your lease or purchase agreement is appropriate for your business and legal needs. We do not provide you legal or real estate advice regarding your lease or purchase agreement. You agree to obtain our approval of the Site before you sign a lease for it, or any renewal of it.

(b) **Sublease From Us:** We may, but are not obligated to, lease or sublease the Site to you. If we do so, you agree to sign our then-current form of lease or sublease. If we sublease the Site to you, we may charge a rent that exceeds the cost of rent we pay under our master lease agreement for the Site.

(c) **Other Lease Requirements:** If you want to lease the Site from someone other than us, you agree to deliver copies of the proposed lease agreement and related documents to us within 10 days of signing them. You agree not to sign any lease agreement or related documents unless the lease or any renewal contains certain provisions, including the following:

(i) a provision that provides that during the term of the lease, the Site may only be used for the operation of a Grain & Berry™ Restaurant and for no other purpose;

(ii) a provision which expressly permits the lessor of the Site to provide us with all revenue and other information it may have related to the operation of your Grain & Berry™ Restaurant as we may request, and you will consent to the landlord providing such information to us;

(iii) a provision which evidences your right to display the Marks and Copyrights in accordance with the specifications required by the Manuals (defined in Section 11.1), subject only to the provisions of applicable law;

(iv) a provision which requires that any lender or other person will not disturb your possession of the Site so long as the lease term continues and you are not in default (along with such documents as are necessary to ensure that such lenders and other persons are bound);

(v) a provision which expressly states that any default under the lease which is not cured within any applicable cure period also constitutes grounds for termination of this Agreement;

(vi) a lease term which is at least equal to the initial term of this Agreement, either through an initial term of that length or rights, at your option, to renew the lease for the full Term of this Agreement;

(vii) a provision that provides that the landlord will give written notice to us (concurrently with the giving of such notice to you) of any default (a "Lease Default") by you under the lease by certified mail, return receipt requested, or by nationally recognized overnight courier service. This notice to us shall be a prerequisite for the landlord's exercise of any remedies resulting from a Lease Default. Such notice will grant us the right, but not the obligation, to cure any Lease Default, if you fail to do so, within fifteen (15) days after the expiration of the time period in which you may cure the Lease Default under the lease. Our election not to cure shall not be deemed an election to assume the lease, unless and until we expressly do so in writing;

(viii) a provision that provides that in the event of a Lease Default or your default of this Agreement, and upon written notice by us to have the lease assigned to us as lessee (the "Assignment Notice"), (1) we will become the lessee of the Site and will be liable for all obligations under the lease arising after the date of the Assignment Notice and (2) the landlord will recognize us as the lessee of the Site effective as of the date of the Assignment Notice;

(ix) a provision in which you and the landlord acknowledge that we are not a party to the lease, but that we are intended to be a third-party beneficiary of the lease with an independent right to enforce its terms against the landlord and you;

(x) a provision that provides that the Lease cannot be modified or canceled without our prior written approval.

(d) **No Warranty:** You acknowledge that our approval for the Site does not constitute a guarantee or warranty, express or implied, of the successful operation or profitability of a Grain & Berry™ Restaurant operated at the Site. Such approval indicates only that we believe that the Site falls within the acceptable criteria we have established as of the time of our approval.

4.4 Ownership and Financing. Instead of leasing a Site, you may propose to purchase, construct, own and operate a Grain & Berry™ Restaurant on real property owned by you or through affiliates. You will meet certain conditions if you or your affiliates own a Site or at any time prior to acquisition, or subsequently, you or your affiliates propose to obtain any financing with respect to the Site or for your Grain & Berry™ Restaurant or for any Operating Assets in which any of such items are pledged as collateral securing your performance. We may require you to include in your purchase agreement and mortgage documents various terms and conditions, including the following: (a) a provision which requires any lender or mortgagee concurrently to provide us with a copy of any written notice of deficiency or default under the terms of the loan or mortgage sent to you or your affiliates or the purchaser; (b) a provision granting us, at our option, the right (but not the obligation) to cure any deficiency or default under the loan or mortgage (should you fail to do so) within fifteen (15) days after the expiration of a period in which you may cure such default or deficiency; (c) a provision which expressly states that any default under the loan or mortgage, if not cured within the applicable time period, constitutes grounds for termination of this Agreement and any default under this Agreement, if not cured within the applicable time period, also constitutes a default under the loan or mortgage; and (d) you agree to, at our option, to lease or otherwise take possession of the Site to us if the Franchise Agreement is terminated, assigned, or transferred pursuant to commercially reasonable terms for a period of years equal to the length of time remaining on the term of the Franchise Agreement. If we exercise our option to lease your Site from you, you must sign a lease with us in a form we approve.

4.5 Site Selection Fee. When you sign the Franchise Agreement, you must pay to us or our designated supplier (which may be an affiliate) a Site Selection Fee of Two Thousand Dollars (\$2,000) ("Site Selection Fee"). This Site Selection Fee is due in lump sum, is non-refundable and is in addition to any fee you owe to third parties (like your own attorney, real estate broker, contractor or advisors). The Site Selection Fee pays the personnel expenses incurred in our review the Site. If you request our personnel to visit the Site, we in our sole discretion, may do so (often depending on schedule and availability), but you will be responsible for all travel and hotel costs. While we may share Site selection comments with you that we determine will be of benefit to you or us, we are not responsible for nor do we guarantee the accurateness or outcome of those comments, and those comments are not to be construed as legal advice or real estate advice provided to you. You agree that we do not guarantee or represent that the terms of your obtaining a Site, including traffic flows, demographics, fees, rent, tenant improvement allowance, landlord work or the like, will represent the most favorable terms available in the market, or that the Site is guaranteed in any way to produce any level of revenue, customers or profitability. If we are required to engage in more than one Site Selection review for the proposed franchised location (or a different proposed franchised location), you must pay us or our designated supplier a Site Selection Fee for each Site Selection review we or our designee undertake. Upon submission of your request for a Successor Term, we will not charge you an additional Site Selection Fee to review your existing Site for renewal.

4.6 Pro Forma Construction Cost Analysis. Prior to your signing the lease, you must contract with a qualified site construction or build-out cost advisor/ professional to advise you regarding and to perform for you a pro forma construction cost analysis for the total cost of building out the Site to meet our System Standards, as well as all applicable local, state and federal laws, rules, regulations and costs. You acknowledge that the suitability of a Site's lease or purchase terms, tenant improvement allowance, landlord work, rent rate, construction costs, engineering costs, traffic flows, ingress and egress, signage and other economic and legal factors vary from Site to Site, may impact the performance of your Grain & Berry™ Restaurant, and that your evaluation of them and choices among them are solely your responsibility.

5. RESTAURANT DEVELOPMENT, DECOR AND OPERATING ASSETS.

5.1 Restaurant Development. You must obtain our approval of and open the Grain & Berry™ Restaurant for business within the earlier of six (6) months of the date we approve the Site or twelve (12) months from the date of execution of this Agreement (the "Opening Date"). In our sole discretion, if you have made full and complete applications for all building permits, and all other permits required to open a Grain & Berry™ Restaurant and have signed a construction agreement for its build out, within ninety (90) days of the date we approve the Site, we may grant to you up to two (2) thirty (30) day extensions to open the Grain & Berry™ Restaurant and/or to obtain all necessary permits, provided that the delay was due to causes beyond your reasonable control (but not longer than 14 months after the date you sign the Franchise Agreement). We are not required to grant extensions. You must submit documentation of the status of all applications necessary to operate the Grain & Berry™ Restaurant at least ten (10) days prior to the date of each thirty (30) day extension you request. You are responsible for obtaining all financing necessary to develop or build-out and equip the Site. You will, at your cost, retain a licensed architect and will be responsible for the preparation of working drawings and construction and architectural plans and specifications for the Grain & Berry™ Restaurant based on our System Standards. You will be responsible for the initial and ongoing construction cost analysis, accuracy of all drawings, plans and specifications for the Grain & Berry™ Restaurant. You will be solely responsible for all costs and expenses incurred for the construction or renovation of the Grain & Berry™ Restaurant, including, but not limited to, all costs for architectural plans and specifications, all modifications to the standard plans and specifications necessitated by the structure, construction or layout of the Grain & Berry™ Restaurant, building permits, site preparation, demolition, construction of the parking lot, landscaping, heating, ventilation and air conditioning, interior designs, FF&E, leasehold improvements, labor, architectural and engineering fees, electricians, plumbers, general contractors and subcontractors. You are solely responsible for complying

with all laws, ordinances, rules and regulations relating directly or indirectly to the construction and development of Grain & Berry™ Restaurant, including the Americans With Disabilities Act and any other laws, rules or regulations regarding public accommodations for persons with disabilities. You will be solely responsible for inspections during construction or renovation to confirm that the Grain & Berry™ Restaurant is being constructed or renovated in a workmanlike manner and according to the plans and specifications established by us. You will be solely responsible for complying with and obtaining any and all permits necessary under all federal, state and local laws, ordinances, statutes and building codes, and for acquiring all licenses and building and other permits required by law in connection with the construction, renovation and operation of the Grain & Berry™ Restaurant. We will have no responsibility to you or any other party if the Grain & Berry™ Restaurant is or is not constructed or renovated by the you or your architect or contractor: (a) according to the standard plans and specifications established by us; (b) in compliance with all applicable federal, state or local laws or ordinances; or (c) in a workmanlike manner. You are solely responsible, as between us (and our affiliates or other franchise owners) and you, for any and all claims, liabilities and costs relating to non-compliance or alleged non-compliance with any such laws, rules, ordinances or regulations, and you must remedy, at your expense, any such non-compliance or alleged non-compliance. Without limiting your foregoing obligations, you agree, at your own expense, to do the following with respect to developing the Grain & Berry™ Restaurant at the Site: (a) secure and provide us proof of your securing all financing required to develop and operate the Grain & Berry™ Restaurant; and (b) obtain all building, utility, sign, health, sanitation, business and other permits and licenses required to construct, develop and operate the Grain & Berry™ Restaurant.

5.2 **Décor.** You agree that all décor of your Grain & Berry™ Restaurant must be previously approved by us and must comply with our standards as described in the Manuals or other communications, which may be periodically revised. We own all Copyrights in and to all forms of art or other visual media displayed in the Grain & Berry™ Restaurant (the "Art"), as well as all intellectual property rights in and to the Art. You will not, without our prior written permission, allow any of the Art to become a fixture to the Grain & Berry™ Restaurant and you will not display or use the Art in any Competitive Business or Restaurant of any kind. Your failure to maintain the Grain & Berry™ Restaurant's décor in compliance with our System and the standards described in the Manuals or otherwise constitutes a material breach of this Agreement.

5.3 **Pre-Opening Package.** You must purchase from us, our affiliates or designees, certain products, supplies, equipment and services for use in developing and operating your Grain & Berry™ Restaurant (the "Pre-Opening Package"). The contents of your Pre-Opening Package are listed in Exhibit "A" and made a part hereof by reference. But, we may modify its contents at any time. The Pre-Opening Package items will be delivered by or delivery will be arranged by us, our affiliates or designees. We do not provide any warranty or service guaranty of the installation services we, our affiliates or designees provide, if any. You must pay a \$10,000 fee for the Pre-Opening Package (the "Pre-Opening Package Fee") to us or our affiliate(s) at the time you sign the Franchise Agreement. The Pre-Opening Package Fee is due in lump sum and is non-refundable under any circumstances.

5.4 **Operating Assets and Restaurant Materials.** In addition to the Pre-Opening Package, we will identify the other fixtures, furnishings, equipment (including, without limitation restaurant equipment, kitchen equipment, chairs, counters, décor and the telephones, computer hardware and software) (the "Operating Assets"), inventory, ingredients, equipment, product services and other products, services, materials, inventory, equipment, uniforms, apparel, supplies and signs, emblems, lettering, logos and display materials, advertising, and financial and accounting services, necessary for the Grain & Berry™ Restaurant to begin or sustain operations (collectively, the "Restaurant Materials"), the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including us and/or our affiliates). You agree to acquire all Restaurant Materials and Operating Assets from us or suppliers we have previously approved, which may include us or our affiliates. If we do not designate or approve a supplier for the Operating Assets or Restaurant Materials, you must

purchase them in accordance with, and they must meet our System Standards. We may designate suppliers, quantities, models, brands and inventory levels of Operating Assets and Restaurant Materials. We may require you to purchase only from us or designated suppliers Operating Assets or Restaurant Materials which bear our Marks and/or Copyrights. We will only approve suppliers whose Restaurant Materials and Operating Assets meet the quality standards that we establish from time-to-time. You agree to only place or display at the Site (interior and exterior) such signs, emblems, lettering, logos and display materials that we periodically approve. While our affiliates or designees deliver and may set-up the items in the Pre-Opening Package, you must pay for the cost of obtaining and installing any Restaurant Materials and Operating Assets we require that is not contained in the Pre-Opening Package or which we do not set-up or install. You will, at your expense, repair and maintain the Grain & Berry™ Restaurant and all Operating Assets and Restaurant Materials in a clean and sanitary condition and will replace all equipment and other items as they become worn-out, soiled or in disrepair. All mechanical equipment must be kept in good working order by you. All replacement equipment and other items used in the Grain & Berry™ Restaurant must comply with the standards and specifications in the Manuals. We may require that you purchase or lease any restaurant equipment or restaurant related equipment we designate (including any Pre-Opening Package items) from us, our affiliate or our approved suppliers. We may also require that if you wish to lease such equipment, we, our affiliate or approved supplier will sell that equipment to a designated or approved third party leasing company who will lease the equipment to you.

5.5 Changes to Approved Suppliers. You must comply with all of our System Standards for approval and use of, or contracting with third parties and suppliers:

(a) **Designation and Approval of Suppliers:** The reputation and goodwill of Grain & Berry™ Restaurants are based upon, and can be maintained and enhanced only by the use of high quality suppliers of services, materials and inventory. We will provide you with a list, that we may modify from time-to-time, of approved manufacturers, suppliers, or distributors of Operating Assets and Restaurant Materials. We may designate approved or designated suppliers, providers, distributors, or manufacturers for any types, models or brands of business materials, inventory, Operating Assets, and other equipment, payroll, accounting, bookkeeping, training or maintenance services and other business services that we approve for Grain & Berry™ Restaurants or which we designate in the Manuals as relating to the establishment or operation of Grain & Berry™ Restaurants, which may include us or our affiliates as one of, or the only approved or designated supplier for certain items or services (the “**Approved Suppliers**”). You agree that you will not, without our written approval, use or authorize any of your personnel or other employees to use any services, material, inventory, supplies or equipment and/or suppliers, distributors, manufacturers or service providers not authorized by us for your Grain & Berry™ Restaurant. You must utilize any ordering system that any of our Approved Suppliers (including us or our affiliates) designate.

(b) **Review Procedures:** Our approval of Operating Assets, Restaurant Materials, and Approved Suppliers will be given in the form of specifications and standards designated in our Manuals or in other communications to you from time-to-time. In approving types, models, brands and suppliers, manufacturers, distributors or service providers, we may take into consideration such factors as quality, warranty and prices. We may approve one or a limited number of suppliers, manufacturers, distributors or service providers in order to obtain lower prices or materials of a more uniform and/or higher quality. If you wish to use any type, model, manufacturer or brand of materials, supplies or equipment, supplier, manufacturer or distributor of equipment, supplies or material, any service provider or any other brand, manufacturer, distributor or supplier of materials, supplies, services or equipment, which is not currently approved by us, you must: (i) notify us in writing; (ii) submit to us sufficient specifications, photographs, samples and/or other information requested by us concerning such type, model, brand, service, service provider and/or supplier,

manufacturer or distributor. We will then determine, within a reasonable time, whether such type, model or brand, supplier, distributor, service provider or manufacturer complies with our specifications, and/or whether such supplier, manufacturer, distributor or service provider meets our criteria for approval. We may from time-to-time prescribe procedures for the submission of requests for approval of types, models, brands, manufacturers, distributors, service providers or suppliers and obligations which approved manufacturers, distributors, service providers or suppliers must assume.

(c) **Preferred Vendor Programs:** We may develop certain programs and terms under which we, our affiliates or Grain & Berry™ Restaurants receive certain negotiated benefits or terms from Approved Suppliers (“**Preferred Vendor Programs**”). You must follow all of our policies and procedures which we designate from time-to-time for participation in or termination of Preferred Vendor Programs (“**Program Rules**”). We can refuse or terminate your participation in Preferred Vendor Programs without terminating this Agreement. We may designate one or more Approved Suppliers (“**Preferred Vendors**”) as an exclusive supplier of types, models or brands of business materials, supplies, operating assets, consumer goods, fixtures or materials and business services that we approve for Grain & Berry™ Restaurants. We may receive compensation from Approved Suppliers, fees, rebates or other consideration for such purchases. Certain Preferred Vendors may require that you enter into agreements with them (subject to our approval) in connection with our designation or your use of them as a Preferred Vendor or participation in their Preferred Vendor Program (“**Preferred Vendor Agreements**”). You agree to do so. We may be a party to such Preferred Vendor Agreements. We are not obligated to contribute any such fees or rebates received by us from such agreements to the System Development Fund (defined in Section 12.1). However, we will not be obligated to offset or reduce your obligation to pay to us System Development Fees. If we permit you to receive any form of rebates, contributions or remunerations from Preferred Vendors, we may require that you provide to us accountings of such monies or other remuneration you receive, in the manner we designate in the Manuals. We may charge you fees in the amount we may designate from time-to-time for participating in Preferred Vendor Programs which we evaluate or for which we provide services. If we cancel your participation in any Preferred Vendor Program, we will direct the Preferred Vendor to stop doing business with you on the same terms as it does for other franchisees.

5.6 Compliance with Laws and Good Business Practices. You will secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of your Grain & Berry™ Restaurant. You will operate your Grain & Berry™ Restaurant in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to occupational hazards and health, construction warranties, worker's compensation insurance, immigration, unemployment insurance, construction permitting, workplace safety, and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You will, in all dealings with customers, suppliers, us and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the System, the Marks and other Grain & Berry™ Restaurants.

5.7 Music and Other Audio and Visual Entertainment. You acknowledge and agree that the provision of music to patrons of Grain & Berry™ Restaurants is, or may become an integral part of the System. Accordingly, you agree to play only the type(s) of music, at the decibel levels and in the manners that we may periodically prescribe or approve. You must acquire and install any audio equipment and obtain any subscriptions (e.g., satellite radio or other music streaming services) that we designate or require for use by Grain & Berry™ Restaurants.

5.8 **Business Management System.** You must use and follow all of the rules and regulations, specifications and System Standards for the Computer System (defined in Section 11.7), business management, Purchaser Order System (as defined below in this paragraph), scheduling, cost control, and payroll, bookkeeping, payment processing and accounting system we designate from time-to-time (collectively, the “**Business Management System**”). You must utilize the Computer System, if any, which we may designate or approve, in the manner we approve in your utilization of the Business Management System. You must use our standard supplier or vendor agreements and other agreements related to the Business Management System that we designate from time-to-time. The Business Management System may or will incorporate and consist of such functions as we designate from time-to-time, which may include a mandatory Purchase Order System and rules for participation and use of such Purchase Order System, if any, which we may designate (the “**Purchase Order System**”). Through, and as part of, the Business Management System we may require that you establish an operating account with a bank or other financial institution that we designate or approve (the “**Operating Account**” or the “**Account**”). You must utilize the Operating Account in accordance with the System Standards as we designate (e.g. Business Management System rules, like allowing ACH transfers, etc.). We, in our sole discretion, may change, alter or amend the functions, components, System Standards, Computer System, Purchase Order System and any other aspect of the Business Management System from time-to-time.

5.9 **Restaurant Opening.** You agree not to open the Grain & Berry™ Restaurant for business until: (a) we approve the Grain & Berry™ Restaurant as developed in accordance with our specifications and standards; (b) training has been completed to our satisfaction; (c) the Franchise Fee, Pre-Opening Package Fee and Site Selection Fee have been paid; (d) all required pre-opening training has been completed; (e) we have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept; (f) we have received signed counterparts of all required documents pertaining to your acquisition or lease of the Site; (g) you have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your Restaurant, including, without limitation, by ensuring that your planned membership offerings follow the Grain & Berry™ Restaurant's opening and your forms of membership agreement comply with applicable law; and you have conducted the Pre-Opening Program.

5.10 **Credit and Gift Cards.** You must honor all credit, charge, courtesy and cash cards approved in writing by us. You will not create or issue any prepaid or gift cards or gift certificates and will only sell prepaid or gift cards or gift certificates that have been issued by us and which are accepted at all Grain & Berry™ Restaurants. You will not issue coupons or discounts of any type except as approved in writing by us.

5.11 **National Conventions.** At your expense, you or your manager and the other persons having positions at Restaurant designated by us will attend each national convention held by us. The date and location of all national conventions will be at our sole discretion. You will pay the then-current convention registration fee established by us for each person attending the national convention (currently as of the Agreement Date, \$500 per person, plus costs). You will also pay the salaries and benefits, the travel expenses and all other expenses incurred by the persons attending the national convention on your behalf. You acknowledge that the attendance of at least one person at each national convention held by us and the payment of the then-current registration fee for at least one person is mandatory.

6. **FEES.**

6.1 **Franchise Fee.** You agree to pay us a non-recurring and non-refundable initial franchise fee in the amount indicated as the Franchise Fee in Exhibit “A” and such Franchise Fee is fully earned when paid. The Franchise Fee is due in a lump sum payment on the Agreement Date.

6.2 **Royalty.** You agree to pay us a royalty fee (“**Royalty(ies)**” or “**Royalty Fee**”) in the amount we designate up to 8 percent (8%) of your weekly Gross Sales. The initial assessment of the Royalty will be designated in Exhibit A, and then updated upon notice to you. We charge the Royalties on Monday of each week for the immediately preceding week by Electronic Funds Transfer (the “**Payment Day**”). However, we can alter or change the Payment Day upon written notice to you. If the Payment Day of any week falls on a weekend or a national holiday, the payment is due on the first weekday following the Payment Day. The first Royalty payment is not due until the Payment Day of the week following your Opening Date. The Royalties are non-refundable and fully earned when paid. At our option, we may collect Royalties daily. The Royalty Fee is due during the entire term of this Agreement.

6.3 **System Development Fees.** You must pay to us or our designee a fee in the amount of up to two percent (2%) of your Grain & Berry™ Restaurant’s weekly Gross Sales as contributions to the System Development Fund (the “**System Development Fee**”). The initial amount of the system Development Fee will be indicated on Exhibit A and then updated upon notice to you. The first System Development Fee is due the first Payment Day following your Opening Date. At our option, we may collect the System Development Fee daily. The System Development Fees are fully earned and non-refundable when paid.

6.4 **Construction Project Manager Fees and .** We may require you to use a construction project management services provider we designate or approve, and pay its fees and costs.

6.5 **Grain & Berry™ Restaurant Academy Certification Training Fees.** As part of the Franchise Fee, we provide the initial training set out in Section 7. If we require or you request, and we agree to provide, additional on-site or off-site training, you must pay our then current fees and expenses (the “**Grain & Berry™ Restaurant Academy Certification Training Fees**”), which will not exceed Six Hundred and No/Dollars (\$600.00) per trainee or \$1,000 per trainer per day of training, plus all of our expenses (travel, lodging, meals, etc.). Grain & Berry™ Restaurant Academy Certification Training Fees are due within five (5) days of our invoice to you.

6.6 **Third Party Training Expenses.** If we require or you request, and we agree to provide, additional on-site or off-site training as described in Section 6.5 above, and third parties provide that training for you (e.g., consultants), you must pay to that consultant and reimburse them, all of the expenses they incur for travel, lodging, meals and other expenses and costs they incur associated with providing additional on-site (“**Third Party Training Expenses**”). They will bill you for the Third Party Training Expenses, and you are responsible for payment to them within five (5) days of the date of our invoice to you unless their invoices indicate a different payment date.

6.7 **Electronic Funds Transfer.** We may require you to pay all future payments of the Royalties, System Development Fees, and any other amounts due us by electronic funds transfer (e.g., ACH or other electronic payment processing we designate). If we do so, we will designate the Payment Day for any such payment(s). You agree to comply with the procedures we specify in our Manuals and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. On the Payment Day, you will report to us by electronic means we designate (e.g. Computer System/business management system, or via e-mail, etc.) or in written form, as we direct, the Grain & Berry™ Restaurant’s true and correct Gross Sales for the immediately preceding week. You will give us authorization, in a form that we designate or approve, to initiate debit entries or credit correction entries to the Grain & Berry™ Restaurant’s Operating Account for payments of Royalties and other amounts due under this Agreement, including any applicable interest charges. You will, from time to time during the term of this Agreement, execute such documents as we may request to provide your unconditional and irrevocable authority and direction to your bank or financial institution authorizing and directing your bank or financial institution to transfer directly from the Operating Account to the bank account of ours that we designate, and to charge to the Operating Account, the amount of the Royalty Fees, System Development

Fees and any other sums due and payable by you to us pursuant to this Agreement. The transfer authorizations will be in the form prescribed by our bank. Transfers will be made on Monday of each week for the weekly Royalty Fees and System Development Fees payable for the preceding week, as set forth in this Agreement or within five days after the issuance of an invoice by us for other amounts payable by you. Your authorizations will permit us to designate the amount to be transferred from the Operating Account, and to adjust such amount from time to time for the Royalty Fees, System Development Fees and other sums then payable to us by you. You will make the funds available in the Operating Account for withdrawal by electronic transfer no later than the Payment Day. The amount actually transferred from the Operating Account to pay Royalties and System Development Fees will be based on the Grain & Berry™ Restaurant's Gross Sales reported to us. If you fail at any time to provide the weekly or daily reports of Gross Sales required under this Agreement, then we will have the right, in our sole discretion, to estimate the amount of any fees due us, and to transfer such estimated amount from the Operating Account to our bank account in accordance with the provisions of this Section. If we determine at any time that you have under-reported Gross Sales or underpaid Royalties or other amounts due to us, we will be authorized to immediately initiate a transfer from the Operating Account in the appropriate amount in accordance with the foregoing procedures, including applicable interest and late charges. Any overpayment will be credited to the Operating Account through a credit, effective as of the first (1st) reporting date after you and we determine that such credit is due.

6.8 Definition of Gross Sales. As used in this Agreement, the term "Gross Sales" means all revenue you derive from operating the Grain & Berry™ Restaurant, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the Marks, Copyrights or System, and whether from cash, check, barter, credit or debit card or credit transactions, including the redemption value of gift certificates redeemed by you regardless of whether such gift certificates are issued by you or someone else; but excluding: (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and (2) customer refunds, adjustments, credits and allowances actually made by the Grain & Berry™ Restaurant. Gross Sales also includes, for example, revenue you receive from vending machines or other coin-operated machines or devices and revenue from delivery service sales, retail, concessions, special functions, etc. and sales of products bearing or associated with the Marks, Copyrights or System.

6.9 Interest on Late Payments. All amounts which you owe us or our affiliates will bear interest after their due date at the annual rate of eighteen percent (18%) or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we do not agree to accept any payments after they are due nor commit to extend credit to, or otherwise finance your operation of, the Grain & Berry™ Restaurant. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement, as provided in Section 16.

6.10 Late Payment Fees. You must pay an administrative fee in the amount of fifty dollars (\$50.00) per day per late payment of Royalties, System Development Fees, any other amounts due for purchases by you from us or our affiliates, or and any other amounts which you owe us or our affiliate, as well as a fee of Fifty Dollars (\$50.00) per day for each day you are late in delivering to us complete financial statements, royalty reports, or other reports due us according to our System Standards (each an "administrative fee"). The administrative fee is due within ten (10) days after the payment is otherwise due and is in addition to any other fees due and payable to us. The provision in this Agreement concerning the administrative fee does not mean that we accept or condone late payments or reporting, nor does it indicate that we are willing to extend credit to, or otherwise finance the operation of, your Grain & Berry™ Restaurant.

6.11 Application of Payments. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any indebtedness to us.

6.12 **Payment Offsets.** You acknowledge and agree that we have the right to set-off (impose an offset) from any amounts that we may owe you or your owners or any amount that you owe to us, or our affiliates, for any reason whatsoever, including without limitation, Royalties, System Development Fees, administrative fees and late payment interest, amounts owed to us or our affiliates for purchases or services or for any other reason. Thus, payments that we or our affiliates may make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time-to-time. We will notify you monthly if we elect to do so.

6.13 **Discontinuance of Service.** If you do not timely pay amounts due us under this Agreement, we may discontinue any services to you, without limiting any of our other rights in this Agreement. You do not have any right to any fee reduction discount or offset for services discontinued while you are in default.

6.14 **Other Fees.** You must pay us the then current National Convention Registration Fees before attending all required or optional conventions. If we require you to purchase any items from us, you must pay to us a Computer System Purchase fee within five (5) days of installation. You must pay to us all then current cure fees and fines for System Standard breaches which are due by invoice to you and range from 1 to 4 times the amount of the member agreement if related to a Restaurant membership and solicitation breaches, or our then current fee. Your payment for product purchases are due upon invoice. In addition to the fees and payments specifically listed in this Section 6, we have listed other fees, payments and amounts due for services and other items elsewhere within this Agreement, and you agree to pay such fees, payments and amounts in accordance with the terms and conditions of the Sections in which they appear. We may also charge you our then current fees to cure System Standards violations, and require you to reimburse the other Restaurants' then current fees and any fees we charge for cure if you violate our System Standards for soliciting their members. Unless otherwise stated in this Agreement, all fees due us are due within fifteen (15) days of our invoice to you.

7. TRAINING AND ASSISTANCE.

7.1 **Initial Training.** Before the Grain & Berry™ Restaurant's opening, we will provide initial training ("Initial Training") to you and any person you designate who meets our qualifications as a Manager (the "Manager") and up to 2 other persons. Up to four (4) persons may complete the Initial Training (usually 1 owner and 1 manager and two staff members). Initial Training will be conducted for a maximum of 10 days at a location designated by us (that may include our headquarters or another location) during the end of your build-out phase, during the "pre-sale" phase prior to the Opening Date and/or in part when your Restaurant is operational. The Initial Training days may not be consecutive days and may be provided on-Site and off-Site.

7.2 **Grain & Berry™ Restaurant Academy Certification Training.** We may require you (or your Manager and/or previously trained and experienced employees/staff to attend periodic refresher training courses (at least annually) and at such other times and locations that we designate. If we require you, your Managers and/or any previously trained and experienced employees to re-take or attend additional or extended initial training, or if, at any time after the Grain & Berry™ Restaurant opens, you hire additional management personnel or replace one or more of your Managers, the employees must satisfactorily complete our additional training program at your expense ("Grain & Berry™ Restaurant Academy Certification Training"). You must replace any trainer who does not satisfactorily complete a training program, and all new trainers must satisfactorily complete a training program before they begin their employment duties. These training programs will be conducted by us at our designated training facility which, at our discretion, may include your Site. You must pay our then Grain & Berry™ Restaurant Academy Certification Training Fees for these programs and you will also be responsible for costs of travel, lodging and attendance of trainees.

7.3 **Operations Support.** Prior to and after opening your Grain & Berry™ Restaurant, we will provide an “Opening Training Team Member” or “OTT Member” to provide up to six (6) days of additional training (which may not be consecutive days) at your Grain & Berry™ Restaurant. If this is your second or subsequent Grain & Berry™ Restaurant under our development program, we, in our sole discretion, do not have to provide an OTT Member.

7.4 **General Guidance.** We will advise you from time-to-time regarding the operation of the Grain & Berry™ Restaurant by issuance of our System Standards. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications at your expense. Any obligation or action initiated by us in the future and not specifically provided for in this Section shall not be our obligation and may be discontinued or modified at any time in our sole discretion. At your request, we may, in our sole discretion furnish additional guidance and assistance. If your requests for additional or special training and guidance are, in our opinion, excessive we may charge you a fee to cover expenses that we incur in connection with such training or guidance, including per diem charges and travel and living expenses for our personnel.

8. **MARKS.**

8.1 **Ownership and Goodwill of Marks.** Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Grain & Berry™ Restaurant at the Site pursuant to, and in compliance with, this Agreement and all System Standards we prescribe from time-to-time during its term. Your unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Grain & Berry™ Restaurant in compliance with this Agreement). All provisions of this Agreement applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols we authorize you to use.

8.2 **Limitations on Your Use of Marks.** You agree to use the Marks as the sole identification of the Grain & Berry™ Restaurant, except that you agree to identify yourself as the independent owner in the manner we prescribe in the Manuals or otherwise. We will place a conspicuous notice at a place we designate in your Grain & Berry™ Restaurant identifying you as its independent owner and operator. You agree not to remove, destroy, cover or alter that notice without our prior consent. If you do not comply, we may accomplish this task as we see fit and place the notice or identification anywhere we see fit, and you agree to reimburse us for doing so. You may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may you use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of the Grain & Berry™ Restaurant or an ownership interest in you. You agree to display the Marks prominently in the manner we prescribe at the Grain & Berry™ Restaurant, on supplies or materials we designate, and in connection with forms and advertising and marketing materials. You agree to give such notices of trade and service mark registrations as we specify and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 **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 claim by any person of any rights in any Mark, and you agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action.

as we deem appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be 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.

8.4 Discontinuance of Use of Marks. If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing the Grain & Berry™ Restaurant's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

8.5 Notification of Infringements and Claims. If it becomes advisable at any time for us and/or you to modify or discontinue the use of any Marks, and/or for your Grain & Berry™ Restaurant to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions, within a reasonable time after receiving notice, to notify or otherwise discontinue the use of such Marks, or use one or more additional trademarks or service marks. We have no liability or obligation to you for such modification or discontinuance.

8.6 Copyrights. You recognize that the various other materials we give you are subject to copyrights we own or license from others. Your right to use any information capable of being rendered into a tangible form that we claim as our copyrights, including spreadsheets, pro forma documents, programs, forms, marketing materials, manuals, pricing lists, vendor lists, modifications to software, our website, and any marketing materials, advertisements, TV ads, radio commercials and the like (including the look, compilation, feel and content) (collectively, the "Copyrights") are derived solely from this Agreement and limited to your operation of your Grain & Berry™ Restaurant. Your, your agents', employees' and affiliates' unauthorized copying, transmission, use or derivative of the Copyrights in any manner will be a breach of this Agreement and constitute your and their infringement of our rights in and to the Copyrights. This Agreement does not confer any rights to the Copyrights in you other than the right to use them in connection with the operation of your Grain & Berry™ Restaurant. You must follow all of the policies and procedures we designate from time-to-time for the protection of any Copyrights and any other materials which could be subject to Copyright protection. All provisions of this Agreement applicable to your use of the Copyrights apply to any additional Copyrights we authorize you to use during the Term of this Agreement. You must place Copyright notices on all of the other materials that we designate, in the manner we require. You recognize that we will grant other franchisees the right to use the Copyrights as well. You agree to sign and deliver to us such forms of Copyright assignments or licenses we specify for any Copyrights you develop or modify for use in your Grain & Berry™ Restaurant and to cause all persons you engage to do so also. We may, and you must assist us with our efforts to file in our name, and indicating our ownership in, Copyright registrations on all copyrightable materials created or modified by you. We may, without notice to you, immediately suspend or terminate your access to or use any services, Copyrights or other information or systems contemplated under this Agreement if we determine that you, your agents, employees or affiliates have violated our Copyrights or otherwise breached this Agreement with respect to protecting our Confidential Information (defined in Section 9.1).

8.7 Copyright Infringements. You must notify us immediately, in writing, of any apparent infringement of any of the Copyrights, or any challenge to your use of any of the Copyrights, or of any claim by any person of any rights in the Copyrights. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We

have sole discretion to take such action as we deem appropriate. We have the right to control exclusively any dispute, litigation, U.S. Copyright Office proceeding or any other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any of the Copyrights, including the right to direct any settlement of such claim. You will sign any and all instruments and documents, or render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any dispute, litigation or administrative proceeding involving the Copyrights or otherwise to protect and maintain our interests in the Copyrights. You may not at any time during the Term of this Agreement or thereafter, contest the validity or ownership of any of the Copyrights, or assist any person in contesting the validity of ownership of any of the Copyrights.

8.8 Discontinuance. You must immediately modify or discontinue the use of any Copyrights as we direct from time-to-time. We will give you as much notice as we deem necessary or practicable before requiring you to stop use of any of the Copyrights. However, we have no liability or obligation to you for doing so.

8.9 Marks and Copyright Indemnification. We will indemnify and defend you against and reimburse you for all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of any Mark or Copyright we develop, pursuant to and in compliance with this Agreement, resulting from claims by third parties that your use of the Marks or Copyrights we develop infringes their trademark rights or Copyrights, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of this Agreement. We will not indemnify you against the consequences of your use of the Marks, or any Copyrights: (a) for any Marks or other Copyrights which you develop or submit to us (regardless if they become, or have become our property); or (b) unless your use of such Marks or Copyrights we provide was and is accordance with the requirements of this Agreement. You must provide written notice to us of any such claim within ten (10) days of your receipt of such notice and you must tender the defense of the claim to us. We will have the right to defend any such claim and, if we do so, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any attorney(s) retained by you. If we elect to defend the claim, we will have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. We are not responsible to you for any other claims of any nature arising out of or related to the Copyrights, regardless of whether the loss associated is by you, any of your customers or third parties. The total differing amount of any indemnification by us under this Section 8.9 is limited to the total replacement cost of your signs and other décor items bearing our Marks or Copyrights used by your Grain & Berry™ Restaurant.

9. CONFIDENTIAL INFORMATION.

9.1 Types of Confidential Information. We possess (and will continue to develop and acquire) certain confidential information (the “Confidential Information”) relating to the development and operation of Grain & Berry™ Restaurants, which includes (without limitation): (a) the System and the know-how related to its use; (b) plans, specifications, size and physical characteristics of Grain & Berry™ Restaurants; (c) Site Selection criteria, land use and zoning techniques and criteria; (d) design of equipment, furniture, forms, materials and supplies; (e) training for Grain & Berry™ Restaurants; (f) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Grain & Berry™ Restaurants; (g) knowledge of specifications, as well as recipes and preparation techniques for certain Products and Supplies and identities of and information relating to our relationships with suppliers of certain Products and Supplies; and (h) knowledge of operating results and financial performance of Grain & Berry™ Restaurants other than those operated by you (or your affiliates).

9.2 Disclosure and Limitations on Use. We will disclose much of the Confidential Information to you and personnel of the Grain & Berry™ Restaurant by furnishing the Manuals to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your Grain & Berry™ Restaurant, you or your employees may develop ideas, concepts, programs, methods, Products and Services, techniques, copyrighted or copyrightable works, trademarks, service marks, slogans, or improvements, or additions that we may adopt or chose not to adopt to our System Standards (“Improvements”) relating to your Grain & Berry™ Restaurant, other Grain & Berry™ Restaurants or the System, which you agree to disclose to us. We will be deemed to own the Improvements and may use them and authorize you and others to use them in the operation of Grain & Berry™ Restaurants. Improvements will then also constitute Confidential Information.

9.3 Confidentiality Obligations. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your Grain & Berry™ Restaurant, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you: (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manuals; and (d) will adopt and implement all procedures we may prescribe from time-to-time in our sole discretion to prevent unauthorized use or disclosure of the Confidential Information, including, restrictions on disclosure to your employees and the use of non-disclosure and non-competition agreements we may prescribe for employees or others who have access to the Confidential Information.

9.4 Exceptions to Confidentiality. The restrictions on your disclosure and use of the Confidential Information will not apply to the following: (a) disclosure or use of information, processes, or techniques which are generally known and used in the Grain & Berry™ Restaurant business (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure and/or use; and (b) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

10. EXCLUSIVE RELATIONSHIP.

You acknowledge and agree that we would be unable to protect Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Grain & Berry™ Restaurants if franchised owners of Grain & Berry™ Restaurants were permitted to hold interests in or perform services for a Competitive Business. You also acknowledge that we have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us. You agree that, during the term of this Agreement, neither you nor any of your owners (nor any of your or your owners’ spouses, children, fiancés, life partners, or the like) will: (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, other than the Grain & Berry™ Restaurant; (b) have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business, wherever located; (c) perform services as a director, officer, Manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located; (d) recruit or hire any person who is our employee or the employee of any Grain & Berry™ Restaurant without obtaining the prior written permission of that person’s employer; or (e) on behalf of yourself or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate,

or stockholder of any other person or entity, or in any other capacity, engage in or conduct any other business if you have any significant operational or management responsibility or obligation regarding such business, if such other business would interfere with your obligations under this Agreement to develop and operate your Grain & Berry™ Restaurant or otherwise (other than Grain & Berry™ Restaurants operated under franchise agreements with us). This provision does not prohibit passive investments in other Grain & Berry™ Restaurants. However, your interest in a business in which your capacity is either a director, officer or majority stockholder (or any combination thereof) does not constitute a passive investment, and will be considered a breach of these provisions of this Agreement. The words "**Competitive Business**" means any business or facility (on a fixed location or mobile basis) owning, operating or managing or granting franchises or licenses to others to do so, any store, business, service, event or facility that offers all or any of the following Acai bowls, Pitaya bowls, Spirulina bowls, Kale bowls, smoothies, fresh juices, cold-pressed juice bottles, toast with toppings, coffee products, and other pre-packaged food and drink products or related products and accessories that are the same or similar to the Products and Services offered by Grain & Berry™ Restaurants (other than a Grain & Berry™ Restaurant under a franchise agreement with us). A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, franchise seller, area representative or the like for any business franchising or licensing Competitive Businesses other than us. If you violate the non-solicitation provision of this Section with respect to a management level employee, you must pay as partial liquidated damages 4 times that employee's most recent annual compensation, and agree that your doing so will not bar us from seeking or obtaining injunctive relief in addition to those partial liquidated damages.

11. OPERATION AND SYSTEM STANDARDS.

11.1 Operations Manuals. We will loan you (or make available on-line or via other electronic format), during the term of this Agreement, one (1) copy of our manuals (the "**Manuals**"), consisting of such materials (in any electronic or written form) that we generally furnish to franchisees from time-to-time for use in operating a Grain & Berry™ Restaurant. The Manuals contain mandatory and suggested specifications, standards, operating procedures and rules ("**System Standards**") that we prescribe from time-to-time for the operation of a Grain & Berry™ Restaurant and information relating to your other obligations under this Agreement and related agreements. We, in our sole discretion, may make the Manuals accessible to you on-line or via other forms of electronic format like, using the Internet or on Intranet (instead of loaning one (1) copy of it to you). You agree to follow the standards, specifications and operating procedures we establish periodically for the System that are described in the Manuals. You also must comply with all updates and amendments to the Grain & Berry™ System as described in newsletters or notices we distribute, including via Computer System or other media we select). The Manuals may be modified or updated and revised periodically to reflect changes in System Standards. You are responsible for routinely monitoring any on-line version (or electronic format) of the Manuals for changes to them. If we make the Manuals accessible to you on-line (or electronic format), we will not send to you printed copies of any changes to them. However, any form of the Manuals accessible to you on-line is our proprietary information and will be deemed Confidential Information for purposes of this Agreement. You agree to maintain the Manuals as confidential and maintain the information in the Manuals, as well as any passwords or other means of access to them as secret and confidential. You agree to keep your printed copy of the Manuals (if any) current and in a secure location at the Grain & Berry™ Restaurant. In the event of a dispute relating to the contents of any printed copy of the Manuals, the master copy of the Manuals we maintain at our principal office will be controlling. However, in the event we utilize on-line (electronic media) Manuals, the most recent on-line Manuals published via the Computer System will control any disputes between the on-line/electronic version and printed copies of the Manuals. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Manuals.

11.2 Compliance with System Standards. You acknowledge and agree that your operation and maintenance of the Grain & Berry™ Restaurant in accordance with System Standards are essential to

preserve the goodwill of the Marks and all Grain & Berry™ Restaurants. Therefore, at all times during the term of this Agreement, you agree to operate and maintain the Grain & Berry™ Restaurant in accordance with each and every System Standard, as we periodically modify and supplement them during the term of this Agreement. System Standards may regulate any one or more of the following with respect to the Grain & Berry™ Restaurant: (a) design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn-out leasehold improvements, fixtures, furnishings, equipment and signs; periodic painting; and use of interior and exterior signs, emblems, lettering and logos, and illumination; (b) quantities, types, models and brands of required Products and Services, fixtures, furnishings, equipment, signs, materials and supplies used in establishing and operating the Grain & Berry™ Restaurant; (c) required inventory and inventory levels, programs, equipment and nutritional programs; (d) designated or approved suppliers of fixtures, furnishings, equipment, Products and Services and other items we require for the operation of your Grain & Berry™ Restaurant; (e) terms and conditions of the sale and delivery of, and terms and methods of payment for, products, materials, supplies and services, that you obtain from us, our affiliates or unaffiliated suppliers; (f) sales, marketing, advertising and promotional programs and materials that are required or approved for use by your Grain & Berry™ Restaurant; (g) use and display of the Marks and Copyrights; (h) staffing levels for the Grain & Berry™ Restaurant, and qualifications, training, dress and appearance of employees; (i) days and hours of operation of the Grain & Berry™ Restaurant and rules and policies for any on-Site or off-Site events; (j) acceptance of inter club, local or national promotions, coupons or vouchers, and acceptance of credit cards, gift certificates, coupons, frequent customer programs, and payment systems and check verification services; (k) bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us; (l) types, amounts, terms and conditions of insurance coverage required to be carried for the Grain & Berry™ Restaurant and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for the Grain & Berry™ Restaurant at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims; (m) complying with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Grain & Berry™ Restaurant; (n) regulation of such other aspects of the development, operation and maintenance of the Grain & Berry™ Restaurant that we determine from time-to-time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Grain & Berry™ Restaurants; (o) policies, rules and procedures governing terms of and fines for breaching the rules for membership, inter club membership use and transfers, solicitation of members, reciprocal privileges; and (p) any advertising and fees for the same. You agree that System Standards prescribed from time-to-time in the Manuals, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth. All references to this Agreement include all System Standards as periodically modified.

11.3 Modification of System Standards. We, in our sole discretion, may periodically modify System Standards, which may accommodate regional or local variations as we determine. Such modifications may obligate you to invest additional capital in the Grain & Berry™ Restaurant ("**Capital Modifications**") and/or incur higher operating costs. However, such modifications will not alter your fundamental status and rights under this Agreement. We will not obligate you to make any Capital Modifications when such investment cannot, in our reasonable judgment, be amortized during the remaining term of this Agreement, plus all eligible successor periods, unless we agree to extend the term of your Franchise so that such additional investment, in our sole judgment, may be amortized; unless such investment is necessary in order to comply with applicable laws. We agree to give you thirty (30) days to

comply with Capital Modifications we require unless those Capital Modifications exceed \$10,000, then you have sixty (60) days to comply. We will not require Capital Modifications during the first 12 months of your Franchise Agreement or which will alter your fundamental status or rights under this Agreement. You are obligated to comply with all modifications to System Standards, including Capital Modifications, within the time period we specify. Capital Modifications are in addition to costs you incur to repair, replace or refurbish your equipment and fixtures. In addition, Capital Modifications do not include expenditures you are required or choose to make to comply with applicable laws, governmental rules or regulations (e.g., ADA compliance).

11.4 Interior and Exterior Upkeep. You agree, at all times, to maintain the Grain & Berry™ Restaurant's interior and exterior and the surrounding area (including all sidewalks, common areas and parking lots used by customers) in the highest degree of cleanliness, orderliness and sanitation and comply with the requirements regarding the upkeep of the Grain & Berry™ Restaurant established in the Manuals and by federal, state and local laws.

11.5 Hours of Operation. You agree to operate the Grain & Berry™ Restaurant during the hours and on the days prescribed by us in the Manuals or otherwise approved in advance in writing by us.

11.6 Operating Accounting, Computers and Records. It is your responsibility to, at your expense, to obtain accounting, payroll and bookkeeping services and any required hardware, software or services related to them from suppliers we designate or approve. We may designate only one Approved Supplier of such services, hardware or software, as well as require you to integrate the same with the Business Management System and Computer System. You will at all times maintain the records reasonably specified in the Manuals, including, without limitation, sales, inventory and expense information. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting Software then used by us in the operation of our own (or our affiliates' own) Grain & Berry™ Restaurants. We are not responsible for the services of or warranty or guaranty the services of these Approved Suppliers or designated suppliers.

11.7 Computer System. We may require that you acquire and use in developing and operating your Grain & Berry™ Restaurant a Computer System consisting of the computer services, components, equipment, computer hardware, telecommunications equipment or services, the software used in connection with the Business Management System and other operating or communications software we designate or approve for use by Grain & Berry™ Restaurants (collectively, the "Software") that we may periodically specify in the manner we designate (collectively, the "Computer System"). We may require you to obtain specified computer and communications hardware, equipment, components or Software and connectivity and other services and may modify specifications for and components of the Computer System from time-to-time. We require you to acquire high speed data and Internet and mobile communications capabilities we may designate. Our and our designees' modifications and specifications for components, equipment, services and operating or communications of the Computer System may require you to incur cost to purchase, lease or license new or modified Software or computer or communications hardware, equipment, components or Software and to obtain service and support for the Computer System during the Term of this Agreement. You agree to incur such costs in connection with obtaining the computer hardware and Software comprising the Computer System (or additions or modifications) operating it in accordance with our System Standards and ensuring that it is compatible with, and capable of participation in and performing the functions we designate for the Business Management System and engaging in any form of e-commerce we designate or approve, as long as the Computer System we specify for use is the same Computer System that we or our affiliates then currently use in Grain & Berry™ Restaurants that we or they own and operate. The Computer System must be capable of connecting with our Computer System performing the functions we designate for the Business Management System, permitting us to review the results of your Grain & Berry™ Restaurant's operations, and engaging in any e-commerce activities that we designate or approve.

We also have the right to charge you a reasonable systems fee for modifications of and enhancements made to any proprietary Software that we may license to you and other maintenance and support services that we or our affiliates may furnish to you related to the Computer System. From time-to-time, upon our notice to you, you must enter into the then current form of such Computer System or Software related agreements as we may designate. You must not use the Computer System for any purposes not authorized by us or our affiliates.

11.8 Trade Operating Accounts and Taxes. You agree to maintain your trade accounts in a current status and seek to resolve any disputes with trade suppliers promptly. You agree to timely pay all taxes incurred in connection with your Grain & Berry™ Restaurant's operations. If you fail to maintain your trade accounts in a current status, timely pay such taxes or any other amounts owing to any third parties or perform any non-monetary obligations to third parties, we may, but are not required to, pay any and all such amounts and perform such obligations on your behalf. If we elect to do so, then you agree to reimburse us for such amounts. You agree to repay us immediately upon receipt of our invoice. We may also set-off the amount of any such reimbursement obligations against all amounts which we may owe you.

11.9 Retail Prices. Subject only to limitations imposed by applicable law, we may designate maximum or minimum retail prices for, payment plans for, financing plans for, and/or installment plans for, and methods of payment for the Products and Services you offer and sell.

11.10 Approved Products. You must only offer and sell the Products and Services and other items we have designated or approved for sale at the Grain & Berry™ Restaurant. You agree to obtain such designated or approved Products and Services from designated or approved suppliers, that may include only us, our affiliates or designees. You agree not to sell, dispense, give away or otherwise offer or provide Products and Services except by means of retail sales from the Site. You agree to maintain an inventory of Products and Services sufficient to meet the daily demands of the Grain & Berry™ Restaurant and as designated in our System Standards. You will not, except with our express written permission, permit any jukeboxes, electronic games, vending machines (including cigarette, vapor, gum, food or supplements, or candy machines), ATM machines, newspaper racks, entertainment devices, coin or token operated machines (except pay telephones), or gambling devices to be used on the premises of the Grain & Berry™ Restaurant and will not sell or allow employees or Restaurant members to sell any tickets, subscriptions, chances, raffles, lottery tickets or pull tabs. We may refuse, withhold or revoke our approval at any time for any reason.

11.11 Management. You (or your Manager) and at least one (1) of your managerial employees that has satisfactorily completed our training program must assume responsibility for the Grain & Berry™ Restaurant's day-to-day management and operation and supervision of the Grain & Berry™ Restaurant's personnel. During all hours of operations, the Grain & Berry™ Restaurant must be under the direct supervision of you (or your Manager we have approved). Each of those individuals must meet our qualifications for a Grain & Berry™ Restaurant Manager. You (or your Manager(s)) and each of your managerial employees must sign and deliver our then-current form of Confidentiality Agreement, or other form satisfactory to us. A copy of our current form of Confidentiality Agreement is attached as an exhibit to our Franchise Disclosure Document.

11.12 Compliance With Applicable Laws. You will be solely responsible for the operation of your Grain & Berry™ Restaurant, and will control, supervise and manage all the employees, agents and independent contractors who work for or with you. You must hire, train and supervise your employees in a manner to ensure your Grain & Berry™ Restaurant complies with our System Standards. But, we will not have any right, obligation or responsibility to control, supervise or manage your employees, agents or independent contractors. You will comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations pertaining to the construction or remodeling and the operation of your Grain & Berry™ Restaurant including, but not limited to: (a) licensing laws; (b) health and safety

regulations and laws; (c) environmental laws; (d) all laws relating to the storage, handling, transportation, use and disposal of any waste, hazardous substances; (e) employment law (including all wage and hour laws, employment laws, workers' compensation laws, discrimination laws, sexual harassment laws, disability and discrimination laws); and (f) tax laws (including those relating to individual and corporate income taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, F.I.C.A. taxes, inventory taxes, personal property taxes and real estate taxes and federal, state and local income tax laws). You will, at your expense, be solely and exclusively responsible for determining the licenses and permits required by law for your Grain & Berry™ Restaurant, for obtaining and qualifying for all licenses and permits, and for compliance with all applicable laws by its employees, agents and independent contractors. We will have no liability for any taxes which arise or result from your Grain & Berry™ Restaurant and you will indemnify us for any such taxes that may be assessed or levied against us which arise out of or result from your Grain & Berry™ Restaurant. If any "franchise" or other tax which is based upon the Revenues, receipts, sales, business activities or operation of your Grain & Berry™ Restaurant is imposed upon us by any taxing authority, then you will reimburse us for all such taxes paid by us. You must also operate your GRAIN & BERRY™ RESTAURANT at the highest standard of care to avoid contamination of the soils and groundwater at and around the Site and to detect promptly and minimize the adverse effects of any such contamination. You will be responsible and liable for the day-to-day operation and maintenance of all equipment and devices located at the Grain & Berry™ Restaurant. You will maintain and periodically inspect all equipment and devices at the Grain & Berry™ Restaurant, and will provide copies of all records to us for the periods designated in any written request by us. Upon receiving written notice, you will certify to us, in the form designated by us, that you have kept accurate records for the Grain & Berry™ Restaurant and has reported promptly to all authorities or agencies and to us all matters required by law including, without limitation, known or suspected spills or leaks of regulated substances at the Grain & Berry™ Restaurant. Upon our written request, you will execute and deliver all other documents required by us to establish the your compliance with this provision of this Agreement.

11.13 Notices.

(a) **Notices to Public.** You will prominently display in the Restaurant all statements that we prescribe from time to time identifying you as the independent owner of the Restaurant and our authorized franchisee. All membership agreements, checks, invoices, stationery and advertising materials which you use in operating your Restaurant will also have a statement in the form we periodically prescribe identifying you as the independent owner of the Restaurant and indicating that you are our authorized franchisee.

(b) **Notices to Employees.** You must prominently post signs at the Restaurant (including in the area in which all official employment-related notices are posted) and at your offices informing your employees and independent contractors that their relationship is solely with you and that they are not an employee or independent contractor of us or any of our Affiliates. You are solely liable for any employment-related issues. Similar language must be included in all of your employment contracts, offer letters and employee handbooks. We may promulgate and periodically modify the language and specifications for such required postings and notices.

(c) **Inter-Restaurant Usage.** You must comply with all of our policies and procedures, including customer/loyalty club membership fee sharing and use among Grain & Berry™ Restaurants, and transfer of customers among Grain & Berry™ Restaurants.

12. MARKETING AND PROMOTION.

12.1 **Establishment of System Development Fund.** Recognizing the value of advertising and marketing to the goodwill and public image of Grain & Berry™ Restaurants, we have the right to establish a system-wide development, marketing and promotional fund (the "System Development Fund") for such

advertising, marketing, public relations and system-wide benefit programs and materials we deem necessary or appropriate. The System Development Fund is intended to maximize recognition of the Marks and patronage of Grain & Berry™ Restaurants and enhance the operations of Grain & Berry™ Restaurants. You must pay to us, or our designee, the System Development Fees in the amount of up to 2% of your daily Gross Sales. We reserve the right to defer or reduce System Development Fees of a Grain & Berry™ Restaurant franchisee and, upon thirty (30) days prior written notice to you, to reduce or suspend contributions to, and operations of, the System Development Fund for any period of any length and to terminate (and, if terminated, to reinstate) the System Development Fund. If the System Development Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the System Development Fund during the preceding twelve (12) month period, or in a manner we determine. We and our affiliates are not obligated to contribute to the System Development Fund on the same basis as Franchise owners for any Grain & Berry™ Restaurant we or they own and operate. If we or our affiliate serve as the advertising agency for the System Development Fund, we or they may charge advertising agency fees for doing so.

12.2 Use of the Funds. We or our designee will direct all programs financed by the System Development Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the System Development Fund may be used to pay the costs of, but not be limited to, developing, preparing and implementing audio or written advertising and marketing materials; developing and servicing corporate accounts; engaging in research and development; research and development; application development hosting and maintenance; VOIP telecommunications, text advertising and call development hosting and operations; administering regional and multi-regional advertising programs; purchasing e-commerce rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems, the Business Management System and the like; supporting public relations and market research; establishing, developing, maintaining, modifying, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities. The System Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials may be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges. We or our affiliates may serve as the advertising agency for the System Development Fund and charge it our or their current advertising agency commissions and fees. Our Administrative and Placement fees also apply to the system Development Fund.

12.3 Operating Accounting for the Fund. The System Development Fund may be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Development Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Development Fund. We may spend, on behalf of the System Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Grain & Berry™ Restaurants to the System Development Fund in that year, and the System Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. In addition to other System Development Fees, we may assess you, and you must pay to the System Development Fund such System Development Fees as we or the Fund deems necessary to address any deficits or special needs of the System Development Fund. All interest earned on monies contributed to the System Development Fund will be used to pay System Development costs before other assets of the System Development Fund are expended. We may prepare a periodic statement of monies collected and costs incurred by the System Development Fund and furnish the statement to you upon written request. We have the right to cause the System Development Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.4 System Development Fund Limitations. The System Development Fund will be intended to maximize recognition of the Marks and patronage of Grain & Berry™ Restaurants. Although we may endeavor to utilize the System Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit Grain & Berry™ Restaurants and us, we undertake no obligation to ensure that expenditures by the System Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Development Fund by Grain & Berry™ Restaurants operating in that geographic area or that any Grain & Berry™ Restaurant will benefit directly or in proportion to its contribution to the System Development Fund from the development of advertising and marketing materials or the placement of advertising. We will not use any monies from the System Development Fund for the preparation materials intended to be used solely for franchise sales solicitations. Except as expressly provided in this section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the System Development Fund.

12.5 Advertising and Promotion. You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time-to-time. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within thirty (30) days after our receipt of such materials, they will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

12.6 Local Advertising Cooperatives. You will be required to, if a local advertising cooperative or local advertising association (a LAA, defined below) is established for an area including your Protected Market Area, contribute to it an amount determined by the local advertising cooperative (but not to exceed two percent (2%) of your Gross Sales), participate in its activities and be subject to its governing documents. We may require that advertising cooperative rules, governing documents and expenditures be subject to our approval. When two or more GRAIN & BERRY™ RESTAURANTS, including your Grain & Berry™ Restaurant, are opened in your Protected Market Area (or other Protected Market Area designated by us), you will become a "Member" of and participate in a local advertising group or cooperative (the "Local Advertising Association" or the "LAA") which will conduct and administer media advertising, promotion, marketing and public relations ("Advertising and Marketing") for the benefit of the GRAIN & BERRY™ RESTAURANTS located in the Protected Market Area, subject to the following terms and conditions: (a) The LAA will consist of all Grain & Berry™ Restaurants in the DMA that includes your Protected Market Area (the "LAA DMA"), including the Grain & Berry™ Restaurants owned by us or an affiliated company in the Protected Market Area; (b) Each Grain & Berry™ Restaurant in the LAA DMA, including the Grain & Berry™ Restaurants owned by us or an affiliated company, will be a Member of the LAA. Each Member will have one vote for each franchised or company-owned Grain & Berry™ Restaurant owned by it in the LAA DMA on all matters to be voted upon at duly convened meetings; (c) Each Member will be given five days written notice of any proposed meeting. A quorum consisting of a majority of all Members of the LAA will be required to convene any meeting of the LAA. A majority vote by the Members present at a duly convened meeting will be required to pass any proposed resolutions or motions. All meetings will be conducted according to Robert's Rules of Order; (d) The purpose of the LAA will be to conduct Advertising and Marketing for the benefit of all Grain & Berry™ Restaurants located in the LAA DMA; (e) The LAA will not conduct any Advertising and Marketing program or campaign for the Grain & Berry™ Restaurants in the Protected Market Area unless and until we have given the LAA prior written approval for all concepts, materials or media proposed for any such Advertising and Marketing program or campaign; (f) On or before the 10th day of each month, each Member of the LAA will contribute up to 5% of the monthly Gross Revenues generated during the previous month by the Member's Grain & Berry™ Restaurant to the LAA (the "Local Advertising Cooperative Fee"). The Local Advertising Cooperative Fee contributed by the Members will be used by the LAA for Advertising and Marketing programs and campaigns for the benefit of all Grain & Berry™ Restaurants in the LAA DMA. The cost of all Advertising and Marketing in the

LAA DMA must be approved by a majority vote of all Members present at a duly convened meeting. If the cost of the Advertising and Marketing approved by the Members exceeds the amount of funds available to the LAA, then the Local Advertising Cooperative Fee payable by you and all other Members to the LAA pursuant to this provision may be increased by vote of a majority of the Members present at a duly convened meeting. You will contribute the amount of the Local Advertising Fee agreed to by the Members to the LAA in accordance with this provision; and (g) The LAA will, within 20 days after the end of each calendar quarter, furnish to us and its Members in the form prescribed by us, a written summary of the Members' contributions to the LAA and an accurate accounting of the LAA's expenditures for approved Advertising and Marketing.

The Local Advertising Cooperative Fee paid by you to the LAA may be applied to the 5% Local Advertising Expenditures requirement in this Agreement. Otherwise, contributions to the LAA by you pursuant to this provision will be in addition to the payment of the System Development Fees and the other advertising obligations of you set forth in this Agreement. There are currently no franchisee advertising councils or local advertising cooperatives that advise us on advertising policies. We reserve the right to establish an advisory council of franchisees that will advise us on advertising policies and other matters.

12.7 Local Advertising Expenditures. You must spend monthly for approved local advertising and promotion of your Grain & Berry™ Restaurant ("Local Advertising Expenditures") an amount not less than five percent (5%) of your Gross Sales per Calendar Month. Our System Standards for grand opening advertising programs and the Local Advertising Expenditures will be provided in our Manuals or during your training. We may increase this minimum amount in markets which we deem to be high density or which require additional marketing due to demographics and market conditions. We may require you to pay all local advertising expenditures required under this Section 12.7 to us and we or our designee may place that advertising and promotion on your behalf. We may charge you up to a 15% administrative fee or placement fee if we do so, which will be deducted from the required local advertising expenditure monies you pay to us. This 15% administrative fee also applies to any Pre-Opening Marketing Purchases that we administer and/or grant opening advertising, and the administrative fee will be deducted from those monies collected by us as well. We may review your books and records relating to your expenditures for such advertising and promotion. We may permit your local advertising cooperative (LAA) contributions to count toward the 5% ongoing local advertising expenditure requirement. In addition to your minimum local advertising requirements, above, you must obtain telephone directory listings in the "white pages" and the "yellow pages", internet or other electronic advertising/listing in the size and manner we specify, displaying the Marks, and for the listings we designate. If other franchise owners operate Grain & Berry™ Restaurants in the Protected Market Area serviced by the directories, then you must participate in and pay your pro rata share of the cost of such listings and advertising.

12.8 Websites and E-Commerce.

(a) We have the right to control all use of URL's, domain names, websites, mobile communications sites, social media sites, addresses, metatags, links, e-mail addresses and any other means of electronic identification or origin (individually and collectively, "e-names"). We also have the right to designate, approve, control or limit all aspects of your use of the Internet, Intranet, World Wide Web, Twitter™, Facebook™, LinkedIn™, Instagram™, Snapchat™, wireless technology, digital cable, use of e-names, e-mail, websites, home pages, bulletin boards, chat rooms, e-mail, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, social networking, mobile communications, and other social media or social marketing, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, "e-commerce"). We have the right to monitor your and your employees' e-commerce activities and you agree to

provide us access to any chat rooms or bulletin boards on which or through which you discuss our franchise system or your relationship with us. You must follow all of our policies and procedures for the use and regulation of e-commerce. We may restrict your use of e-commerce to a centralized website, portal or network or other form of e-commerce designated by us operated by us or our designee.

(b) At our option, we or one or more of our designees may maintain one or more websites to advertise, market and promote Grain & Berry™ Restaurants, the products and services that they offer and sell, and the Grain & Berry™ Restaurant franchise opportunity (each a "System Website"). If we establish one or more System Websites, we will provide you with a webpage that references your Grain & Berry™ Restaurant on one or more of the System Websites that we designate. You must give us the information and materials that we request from time to time to develop, update and modify such webpage. By providing the information and materials to us, you will be representing to us that they are accurate and not misleading and do not infringe upon any third party's rights. However, we will own all intellectual property and other rights in the System Website, your webpage, and all information they contain (including the domain name or URL for such webpage, the log of "hits" by visitors, and any personal or business data that visitors supply).

(c) We will maintain the System Website, including your webpage, and may use the System Development Fund's assets to develop, maintain and update the System Website. We periodically may update and modify the System Website (including your webpage). You must notify us whenever any information on your webpage changes or is not accurate. We will update or add information that we approve to your webpage at reasonable intervals. You acknowledge that we have final approval rights over all information on the System Website (including your webpage). We may implement and periodically modify System Standards relating to the System Website.

(d) We will maintain your webpage on the System Website only while you are in full compliance with this Agreement and all System Standards (including those relating to the System Website). If you are in default of any obligation under this Agreement or the System Standards, then we may, in addition to our other remedies, temporarily remove your webpage from the System Website until you fully cure the default. We will permanently remove your webpage from the System Website upon this Agreement's expiration or termination. We also may, at our option, discontinue any or all System Websites at any time.

(e) You acknowledge and understand that the registration for the System Website domain name is and shall be maintained exclusively in our name or the name of our designee. You acknowledge our or our designee's exclusive right, title and interest in and to the domain name for the System Website. You further acknowledge that nothing herein will give you any right, title or interest in such domain name. You will not, at any time, challenge our or our designee's ownership of the System Website domain name, challenge the validity of the system Website domain name, or impair any right, title or interest of us or our designee in the System Website domain name.

(f) You further acknowledge and agree that we may, at any time in our sole discretion, cease to make the Subpage available to you or the public. You agree that we will have no liability for filing to make the Subpage available to you or the public. **ADDITIONALLY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF THE WEBSITE AND THE SUBPAGE, INCLUDING, WITHOUT LIMITATION, ANY**

IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE WEBSITE OR SUBPAGE. Upon the termination or expiration of this Agreement for any reason or your default under this Agreement for any reason, all of your right to upload content onto, or otherwise use, the Subpage will immediately cease and we may cease to make the Subpage available to you.

(g) We also may maintain one or more social media sites (e.g., www.twitter.com, www.facebook.com, www.snapchat.com, www.instagram.com, www.pinterest.com or such other social media sites). You may not establish any social media sites we designate utilizing any user names or otherwise associating with the Marks or Copyrights, without our advance written consent. We may designate from time to time regional or Protected Market Area/Protected Market Area specific user names/handles that you must maintain. You will adhere to any social media policies that we establish from time to time and will require all of your employees to do so as well. You must ensure that none of your owners, managers or employees use our Marks and Copyrights on the Internet or Word Wide Web, except in strict compliance with these social media policies. Use of social media, including any pictures that may be posted on, using or through one or more social media sites, must be in compliance with the Manuals and System Standards, including our then-current take-down policy.

(h) All advertising, marketing and promotional materials that you develop for your Restaurant must contain notices of the System Website's domain name in the manner we designate. You and your employees may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes you or the Restaurant or displays any of the Marks or Copyrights. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

(i) Nothing in this Section will limit our right to maintain websites other than the System Website or to offer and sell merchandise bearing the Marks or Copyrights from the System Website, another website or otherwise over the Internet without payment or obligation of any kind to you.

(j) You may not create a website for your Grain & Berry™ Restaurant and you may not advertise or sell Products or Services using e-commerce, unless previously approved by us. We require that you provide information to us via e-commerce and order Products and Supplies via e-commerce. We may require you to coordinate your e-commerce activities with the Business Management System. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Marks or Copyrights, including any customer data, click-stream data, cookies, user data, hits and the like; such information is deemed by us to be and constitutes our Confidential Information. You must not use any Mark or Copyright as part of any domain name, Internet or "E-mail" address, or any other identification of you in any electronic medium or with any prefix, suffix or other modifying words, terms, designs, or symbols, or in any modified form, without our written consent.

12.9 Signage. All exterior and interior signs at the Grain & Berry™ Restaurant (the "Signs") must comply with the standard sign plans and specifications established by us and provided to you. You will, at its expense, prepare or cause the preparation of complete and detailed plans and specifications for

the Signs and will submit them to us for written approval. We will have the absolute right to inspect, examine, videotape and photograph the Signs at the Grain & Berry™ Restaurant during the term of this Agreement. You will be responsible for any and all installation costs, sign costs, architectural fees, engineering costs, construction costs, permits, licenses, repairs, maintenance, utilities, insurance, taxes, assessments and levies in connection with the construction, erection, maintenance or use of the Signs including, if applicable, all electrical work, construction of the base and foundation, relocation of power lines and all required soil preparation work. You will comply with all federal, state and local laws, regulations, building codes and ordinances relating to the construction, erection, maintenance and use of the Signs. You may not alter, remove, change, modify, or redesign the Signs unless approved by us in writing. We will have the right to redesign the specifications for the Signs without the approval or consent of you. Within 90 days after receipt of written notice from us, you will, at your expense, either modify or replace the Signs so that the Signs displayed at the Grain & Berry™ Restaurant will comply with the new specifications. You will not be required to modify or replace the Signs more than once every five years. At no time during or after the expiration of the Term may you "drape", obscure, paint over, remove or modify approved signage bearing our Marks without our express prior written consent and without complying with our instructions on how to do so.

12.10 Identification of Franchise. You will not use the names "Grain & Berry" or any derivative thereof in the name of your entity that owns or operates your Grain & Berry™ Restaurant or in any name of your affiliated or controlled entity in any incorporation, organization or other legal formation documents filed with any state government or agency. You will hold yourself out to the public as an independent contractor (franchisee) operating your Grain & Berry™ Restaurant pursuant to a Franchise from us. You will file for a certificate of assumed name in the manner required by applicable state law to notify the public that you are operating your Grain & Berry™ Restaurant as an independent contractor.

13. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

13.1 Operating Accounting System. 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. We may require you to use approved computer hardware and Software in order to maintain certain sales data and other information, including updating the Manuals and for communication purposes. You agree that we may have access to such sales data and other information through the Computer System at all times.

13.2 Reports. You agree to furnish to us on such forms that we prescribe from time-to-time: (a) on the fifteenth (15th) day of each calendar month: a report on the Grain & Berry™ Restaurant's Gross Sales during the immediately preceding calendar month with the Royalty payment; (b) within fifteen (15) days after the end of each calendar quarter: (i) a profit and loss statement for the Grain & Berry™ Restaurant for the immediately preceding calendar month and year-to-date; and (ii) a balance sheet as of the end of such month; (c) within sixty (60) days after the end of the Grain & Berry™ Restaurant's fiscal year: (i) annual profit and loss and source and use of funds statements; and (ii) a balance sheet for the Grain & Berry™ Restaurant as of the end of such fiscal year; and (d) within three (3) days after our request: (i) exact copies of federal and state income, sales and other tax returns; and (ii) such other forms, records, books and other information we may periodically require.

13.3 Access to Information. You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or the location of the Grain & Berry™ Restaurant. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis if we reasonably believe that the reports are incorrect. Moreover, we have the right, as often as we deem appropriate (including on a daily basis), to access all computer registers and other Computer Systems that you are required to maintain in

connection with the operation of the Grain & Berry™ Restaurant and to retrieve all information relating to the Grain & Berry™ Restaurant's operations.

13.4 **Copies of Reports.** You agree to furnish us with a copy of all sales, income and other tax returns relating to your Grain & Berry™ Restaurant, at our request. You will also send us copies of any sales or other reports sent to any landlord or governmental agency, at our request.

14. INSPECTIONS AND AUDITS.

14.1 **Our Right to Inspect the Grain & Berry™ Restaurant.** To determine whether you and the Grain & Berry™ Restaurant are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, and without prior notice to you (but without prior notice if we have reason to believe the Grain & Berry™ Restaurant is not operating in compliance), to: (a) inspect the Grain & Berry™ Restaurant and attend any classes; (b) observe, photograph and videotape the operations of the Grain & Berry™ Restaurant for such consecutive or intermittent periods as we deem necessary; (c) remove samples of any products, materials or supplies for testing and analysis; (d) interview personnel and customers of the Grain & Berry™ Restaurant; and (e) inspect and copy any books, records, websites (or other forms of e-commerce) and documents relating to your operation of the Grain & Berry™ Restaurant. You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal and interviews. You will provide us and our designees (like accountants and auditors) access to your Site and records to facilitate our efforts. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. You agree to correct or repair any unsatisfactory conditions we specify within three (3) days.

14.2 **Our Right to Audit.** We have the right at any time during your business hours, and with three (3) days prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are a Business Entity) and the Grain & Berry™ 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 we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (i.e., your Gross Sales are understated by two percent (2%) or more), you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, within ten (10) days of our notice. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

14.3 **Independent Shopping Services.** We will have the right to hire an independent shopping or other evaluation service to: (a) visit the Grain & Berry™ Restaurant; (b) interview the customers of the Grain & Berry™ Restaurant by telephone, electronically, interactive voice response, or in person; (c) summarize information from customer surveys or comment cards for the Grain & Berry™ Restaurant; and (d) communicate with customers of the Grain & Berry™ Restaurant by e-mail or in writing, by direct contact, electronically, or interactive voice response for the purpose of evaluating: (i) the operations of the Grain & Berry™ Restaurant; (ii) the quality of the Products and Services provided to customers by the Grain & Berry™ Restaurant; (iii) whether you are in compliance with the operational and quality standards specified in the Manuals; and (iv) your compliance with all of the terms and conditions of this Agreement. We will determine the frequency, nature and extent of the evaluation services that will be provided and the form of the reports the shopping service will provide to us.

15. TRANSFER.

15.1 **By Us.** This Agreement is fully transferable by us, and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes all of our continuing obligations under, this Agreement.

15.2 **By You.** You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your owners) and that we have granted the Franchise to you in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither this Agreement (or any interest in it) nor any ownership or other interest in you or the Grain & Berry™ Restaurant may be transferred without our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void and of no effect. As used in this Agreement, the term "transfer" includes your (or your owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) the Grain & Berry™ Restaurant. An assignment, sale, gift or other disposition includes the following events: (a) transfer of ownership of capital stock or a partnership interest; (b) merger or consolidation or issuance of additional securities or interests representing an ownership interest in you; (c) any issuance or sale of your stock or any security convertible to your stock; (d) transfer of an interest in you, this Agreement or the Grain & Berry™ Restaurant in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law; (e) transfer of an interest in you, this Agreement or the Grain & Berry™ Restaurant, in the event of your death or the death of one of your owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Grain & Berry™ Restaurant or your transfer, surrender or loss of possession, control or management of the Grain & Berry™ Restaurant.

15.3 **Conditions for Approval of Transfer by You.** If you (and your owners) are in full compliance with this Agreement, then subject to the other provisions of this Section 15, we will approve a transfer that meets all the applicable requirements of this Section. The proposed transferee and its direct and indirect owners must be individuals of good character and otherwise meet our then applicable standards for Grain & Berry™ Restaurant franchisees. A transfer of ownership, possession or control of the Grain & Berry™ Restaurant may be made only in conjunction with a transfer of this Agreement. All of the following conditions must be met prior to or concurrently with the effective date of the transfer: (a) the transferee has sufficient business experience, aptitude and financial resources to operate the Grain & Berry™ Restaurant or is otherwise acceptable to use a minority owner; (b) you have paid all Royalties, System Development Fees, contributions, amounts owed for purchases from us and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements; (c) the transferee (or its Manager) and its managerial employee (if different from your Manager) have agreed to complete our standard training program; (d) the transferee has agreed to be bound by all of the terms and conditions of this Agreement; (e) you (and your transferring owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents; (f) we have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Grain & Berry™ Restaurant; (g) if you or your owners finance any part of the sale price of the transferred interest, you and/or your owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your owners have reserved in the Grain & Berry™ Restaurant are subordinate to the transferee's obligation to pay Royalties, System Development Fees, contributions and other amounts due to us and otherwise to comply with this Agreement; (h) you and your transferring owners have executed a non-competition covenant in favor of us and the transferee agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in Section 17.4 of this Agreement; (i) you and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except

with respect to other Grain & Berry™ Restaurants you own and operate) identify yourself or themselves or any business as a current or former Grain & Berry™ Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of a Grain & Berry™ Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us; and (j) you or the transferee pay to us a transfer fee of 50% of our then current Franchise Fee plus all costs incurred by us in connection with the transfer and all business broker or franchise broker fees due from you, the transferee or us to any third party on the transfer.

15.4 Transfer to a Business Entity. Notwithstanding Section 15.3, if you are in full compliance with this Agreement, you may transfer this Agreement to a Business Entity that conducts no business other than the Grain & Berry™ Restaurant and, if applicable, other Grain & Berry™ Restaurants so long as you own, control and have the right to vote fifty-one percent (51%) or more of its issued and outstanding ownership interests (like stock or partnership interests) and you guarantee its performance under this Agreement by signing the Owners Guaranty. All other owners are subject to our approval and must sign the Owners Guaranty. If any owner is an entity, we may require its owners and their spouses sign the Owners Guaranty (i.e., all entities and all persons who are direct or indirect legal or beneficial owners must sign the Owners Guaranty). The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interests in the Business Entity must bear a legend referring to the restrictions of this Agreement. As a condition of our approval of the issuance or transfer of ownership interests to any person other than you, we may require (in addition to the other requirements we have the right to impose) that the proposed owner execute an agreement, in a form provided or approved by us, agreeing to be bound jointly and severally by, to comply with, and to guarantee the performance of, all of the your obligations under this Agreement. If the transfer is occurring subject to this Section 15.4 and the composition of your ownership is changing, you must pay our Simple Transfer Fee of \$2,000 plus costs prior to our review of the proposed transfer, and if under this Section 15.4, the ownership composition remains the same, you pay our Transfer Fee of \$500, plus our costs to review the proposed transfer. If the latter, you must use Exhibit G to this Agreement to effectuate the transfer.

15.5 Transfer Upon Death or Disability. Upon your death or disability or, if you are a Business Entity, the death or disability of the owner of a controlling interest in you, your or such owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes 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 an owner of a controlling interest in you from managing and operating the Grain & Berry™ Restaurant.

15.6 Operation Upon Death or Disability. If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the Grain & Berry™ Restaurant is not being managed by a trained Manager, your or such owner'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 Manager to operate the Grain & Berry™ Restaurant. Such Manager will be required to complete training at your expense. Pending the appointment of a Manager as provided above or if, in our judgment, the Grain & Berry™ Restaurant is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but

not the obligation, to appoint a Manager for the Grain & Berry™ Restaurant. All funds from the operation of the Grain & Berry™ Restaurant during the management by our appointed Manager will be kept in a separate account, and all expenses of the Grain & Berry™ Restaurant, including compensation, other costs and travel and living expenses of our Manager, will be charged to this account. We also have the right to charge a management fee (in addition to the Royalty and System Development Fees and contributions payable under this Agreement) during the period that our appointed Manager manages the Grain & Berry™ Restaurant, which is the greater of ten percent (10%) of your monthly Gross Sales or \$6,000 per month. Operation of the Grain & Berry™ Restaurant during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the Grain & Berry™ Restaurant or to any of your creditors for any products, materials, supplies or services the Grain & Berry™ Restaurant purchases during any period it is managed by our appointed Manager.

15.7 Effect of Consent to Transfer. Our consent to a transfer of this Agreement and the Grain & Berry™ Restaurant or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Grain & Berry™ Restaurant or transferee or a waiver of any claims we may have against you (or your owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

15.8 Our Right of First Refusal. You must not Assign or otherwise dispose of any interest in or any part of the Major Assets to any purchaser without first offering the same to us in a written offer that contains the purchase price, payment terms, and all other material terms and conditions of the proposed transaction (the "Franchisee's Offer"). We will have 30 business days after receipt of the Franchisee's Offer to give the you written notice which will either waive our option to purchase (the "Waiver Notice") or will state that we intend to exercise our rights to purchase or acquire the Major Assets according to the terms contained in the Franchisee's Offer (the "Letter of Intent"). The "Major Assets" are all or substantially all of the assets of the Grain & Berry™ Restaurant, including but not limited to the Operating Assets and Restaurant Materials necessary to sustain operations or enable another to be able to, alone or in conjunction with other assets, operate a competing business. We have the sole right to determine if any assets are Major Assets. Therefore, if you (or any of your owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and/or the Grain & Berry™ Restaurant or an ownership interest in you, you (or such owner) agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of five percent (5%) or more of the offering price) from a responsible and fully disclosed offeror (including lists of the owners of record and all beneficial owners of any corporate or limited liability company offeror and all general and limited partners of any partnership offeror) and immediately submit to us a true and complete copy of such offer, in the form of the Franchisee's Offer, which includes 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 denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the Grain & Berry™ Restaurant and may not include an offer to purchase any of your (or your owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your owners) for the interest in you or in this Agreement and the Grain & Berry™ Restaurant must reflect the bona fide price offered and not reflect any value for any other property or rights. We have the right, exercisable by our Letter of Intent within thirty (30) days from the date of the delivery to us of both an exact copy of Franchisee's Offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in the Franchisee's Offer, provided that: (a) we may substitute cash for any form of payment proposed in such offer (with a discounted amount if an interest rate will be charged on any deferred payments); (b) our credit will be deemed equal to the credit of any proposed purchaser; (c) we will have

not less than sixty (60) days after the Notice Date of our election to purchase to prepare for closing; and (d) we are entitled to 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 capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to: (i) ownership and condition of and title to stock or other forms of ownership interest and/or assets; (ii) liens and encumbrances relating to the stock or other ownership interest and/or assets; and (iii) validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased. The date we provide you our Letter of Intent is the "Notice Date." We will have the absolute and unconditional right to terminate our decision to purchase and any obligations in the Letter of Intent and any obligation to purchase the Major Assets from you for any reason and at any time during the due diligence review period by giving you written notice. You will have the right to complete the transaction for the sale of the Major Assets to a purchaser according to the terms and conditions contained in the Franchisee's Offer to us if: (a) we deliver the Waiver Notice to you, (b) we fail to deliver either the Waiver Notice or the Letter of Intent to the Franchisee within 30 business days after receiving the Franchisee's Offer, (c) we terminate our Letter of Intent during the due diligence period pursuant to the provisions of this Section, or (d) you and we fail to agree on the terms and conditions for the definitive agreement or agreements for the purchase of the Major Assets by us from you (other than those objective terms and conditions contained in the Franchisee's Offer) on or before the 60th day after the Notice Date. If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of two (2) years commencing on the date of the closing, you and they will be bound by the non-competition covenant contained in Section 17.4 of this Agreement. You and your selling owner(s) further agree that you and they will, during this same time period, abide by the restrictions of Section 15.3(j) of this Agreement. If we do not exercise our right of first refusal, you or your owners may complete the sale to such purchaser pursuant to and on the exact terms of Franchisee's Offer, subject to our approval of the transfer as provided in Sections 15.3 and 15.4, provided that, if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of Franchisee's Offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of such one hundred twenty (120) day period or notice to us of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option. Our option to purchase in this Section will not apply to the Assignment of any of the Major Assets (with the exception of this Agreement) by you to a bank, financial institution or other lender in connection with the your financing of (a) the real estate or leasehold improvements for Restaurant, b) the FF&E for the Restaurant, (c) inventory or supplies for the Grain & Berry™ Restaurant, or (d) working capital required by the Grain & Berry™ Restaurant.

16. TERMINATION OF AGREEMENT.

16.1 **By You.** If you and your owners are in compliance with this Agreement and we materially fail to comply with this Agreement and do not correct or commence correction of such failure within sixty (60) days after written notice of such material failure is delivered to us, you may terminate this Agreement effective sixty (60) days after delivery to us of written notice of termination. Your termination of this Agreement for any other reason or without such notice will be deemed a termination without cause.

16.2 **By Us.** In addition to any other rights to terminate specified elsewhere in this Agreement, we have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if: (a) you (or any of your owners) have made any material misrepresentation or omission in connection with your purchase of the Franchise; (b) you or the required number of your personnel fail to successfully complete initial training to our satisfaction or you have not fulfilled all of the conditions for management of the Grain & Berry™ Restaurant described in Section 22.2(e) and 7; (c) you fail to commence construction of the Grain & Berry™ Restaurant within six (6) months of the Agreement Date, or with any extension granted to you by us; (d) you fail to select and obtain our approval of a Site within six months of the Agreement Date and open the Grain & Berry™ Restaurant within the earlier of six months

after the Final Site Approval Date or within 12 months of the Agreement Date (and we have not granted an extension); (e) you abandon or fail to actively operate the Grain & Berry™ Restaurant for two (2) or more consecutive business days, unless the Grain & Berry™ Restaurant has been closed for a purpose we have approved or because of casualty or government order; (f) you surrender or transfer control of the operation of the Grain & Berry™ Restaurant without our prior written consent; (g) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other Grain & Berry™ Restaurant; (h) you (or any of your owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the Grain & Berry™ Restaurant or another Grain & Berry™ Restaurant or the goodwill associated with the Marks; (i) you (or any of your owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the Grain & Berry™ Restaurant; (j) in the event of your death or disability or the death or disability of the owner of a controlling interest in you, this Agreement or such owner's interest in you is not assigned as required under this Agreement; (k) you lose the right to possession of the Site; (l) you (or any of your owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Manuals in violation of this Agreement; (m) you violate any health, safety, environmental or sanitation law, ordinance or regulation and do not begin to cure the non-compliance or violation immediately, and correct such non-compliance or violation within five (5) days, after written notice is delivered to you; (n) you fail to make payments of any amounts due to us and do not correct such failure within ten (10) days after written notice of such failure is delivered to you; (o) you fail to make payments of any amounts due to approved suppliers of products or services and do not correct such failure within ten (10) days after written notice of such failure is delivered to you by such supplier; (p) you fail to pay when due any federal or state income, service, sales or other taxes due on the operations of the Grain & Berry™ Restaurant, unless you are in good faith contesting your liability for such taxes; (q) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you; (r) we determine that you are promoting a Competitive Business to customers or are informing customers that you will cease operations as a Grain & Berry™ Restaurant prior to the end of the term; (s) you (or any of your owners) fail on two (2) or more separate occasions within any period of twelve (12) consecutive months or on three (3) occasions during the term of this Agreement to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us or otherwise to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you; or (t) 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; the Grain & Berry™ Restaurant is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the Grain & Berry™ Restaurant is not vacated within thirty (30) days following the entry of such order.

17. RIGHTS AND OBLIGATIONS UPON TERMINATION.

17.1 Payment of Amounts Owed To Us. You agree to pay us within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on such later date that we determine amounts are due to us, all amounts due for Royalties, System Development Fees, contributions, amounts owed for purchases from us, interest due on any of the foregoing, and any and all other amounts owed to us which are then unpaid.

17.2 Marks and De-Identification. Upon the termination or expiration of this Agreement for any reason: (a) to allow us sufficient time (up to sixty (60) days) to determine if we will exercise a right to purchase and/or to confirm you are in compliance with all other post-termination obligations, you will not,

without our express written permission, sell, transfer, encumber, lease, convey, gift, or make available to use to any other person or entity the furniture, fixtures, equipment, lease, real property, inventory or personal property owned by or used by your Grain & Berry™ Restaurant; (b) for a period of 60 days, you will not transfer, encumber, lease, pledge, convey or gift any ownership interest in you, or your parent company, if any; (c) without limiting any other rights in law or equity, you and your owners consent to our obtaining injunctive relief to enforce (a) and (b) hereof; (d) you will, immediately upon demand at our direction, and to our sole satisfaction, cover, drape, remove or obscure all signage, trade dress and other identifiable aspects of the Grain & Berry™ Restaurant; (e) you may not directly or indirectly at any time or in any manner (except with respect to other Grain & Berry™ Restaurants you own and operate) identify yourself or any business as a current or former Grain & Berry™ Restaurant, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of a Grain & Berry™ Restaurant in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us; (f) you will not, for a period of 60 days, promote to any former or current customer the operation of any other business at the Site; (g) you agree to immediately take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark; (h) if we do not have or do not exercise an option to purchase the Grain & Berry™ Restaurant pursuant to Section 17.5, you agree to deliver to us within 30 days after, as applicable, the effective date of expiration of this Agreement or the Notification Date (as defined in Section 17.5(a)) all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any of our Marks or Copyrights or otherwise identifying or relating to a Grain & Berry™ Restaurant and allow us, without liability to you or third parties, to remove all such items from the Grain & Berry™ Restaurant; (i) if we do not have or do not exercise an option to purchase the Grain & Berry™ Restaurant pursuant to Section 17.5, you agree that after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), you will promptly and at your own expense make such alterations we specify to distinguish the Grain & Berry™ Restaurant clearly from its former appearance and from other Grain & Berry™ Restaurants so as to prevent confusion by the public; (j) if we do not have or do not exercise an option to purchase the Grain & Berry™ Restaurant pursuant to Section 17.5 you agree that after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), you will notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any regular, classified or other telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify prior to such transfer of the number and listings to us, you must not transfer them; (k) you agree to furnish us, within thirty (30) days after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), with evidence satisfactory to us of your compliance with the foregoing obligations; (l) within 30 days after the date of the expiration or termination of this Agreement, you will, at your expense, alter, modify and change both the exterior and interior appearance of the building and the Grain & Berry™ Restaurant so that it will be clearly distinguished from the standard appearance of a Grain & Berry™ Restaurant and/or prevent public confusion; and (m) we will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of your right to use all telephone numbers and all classified and other directory listings for the Grain & Berry™ Restaurant and to authorize the telephone company and all listing agencies to transfer to us or its assignee all telephone numbers and directory listings of the Grain & Berry™ Restaurant. You acknowledge and agree that we have the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and you hereby authorize us to direct the telephone company and all listing agencies to transfer the Franchisee's telephone numbers and directory listings to us or to an assignee of ours, if this Agreement expires or is terminated or if we acquire the Grain & Berry™ Restaurant. The telephone company and all listing agencies may accept the Conditional Assignment of Telephone Numbers and Listings Agreement attached as an exhibit to our Franchise Disclosure Document as evidence of our exclusive rights to such telephone numbers and directory listings. You will execute the Conditional Assignment of Telephone Numbers and Listings Agreement and such

other documents as we may require to complete the transfer of the telephone numbers as contemplated herein

17.3 Confidential Information. You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Manuals and any other confidential materials that we have loaned to you.

17.4 Competitive Restrictions. Upon termination or expiration of this Agreement for any reason whatsoever (and you have not acquired a Successor Franchise), you and your owners agree that for a period of two (2) years commencing on the effective date of termination or expiration neither you nor any of your owners will have any direct or indirect interest (e.g. through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, Manager, representative or agent or in any other capacity in any Competitive Business (as defined in Section 10) operating: (a) at the Site; (b) within the Protected Market Area; (c) at, within or within twenty-five (25) miles of the Site or Protected Market Area; or (d) within or within 25 miles of the Site or Protected Market Area of any other Grain & Berry™ Restaurant in existence or under development. If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of an order of an arbitrator, or court if necessary, 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 such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

17.5 Our Right to Purchase upon Termination or Expiration.

(a) **Exercise of Option.** Upon our termination of this Agreement in accordance with its terms and conditions or your termination of this Agreement without cause, we have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination, to purchase the Grain & Berry™ Restaurant from you, including the leasehold rights to the Site. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date"). We have the unrestricted right to assign this option to purchase the Grain & Berry™ Restaurant. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, 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.

(b) **Leasehold Rights.** You agree at our election: (i) to assign your leasehold interest in the Site to us; (ii) to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease; or (iii) to lease to us if you own the Site in accordance with the Agreement to Lease and our Standard Lease Agreement.

(c) **Purchase Price.** The purchase price for the Grain & Berry™ Restaurant will be its "fair market value" (i.e., value of the Grain & Berry™ Restaurant's assets carried on the balance sheet for that Grain & Berry™ Restaurant), determined in a manner consistent with generally accepted accounting principles consistent with our System Standards; provided that the Grain & Berry™ Restaurant will be valued as an independent business and its value will not include any value for: (i) the Franchise or any rights granted by this Agreement; (ii) the Marks or Copyrights; or (iii) participation in the network of Grain & Berry™ Restaurants. Fair market value will be determined by an accountant of our choice and you must provide that accountant access to your books and records to determine fair market value. If you do not provide such access when

requested, the purchase price will be determined by us based on an estimate of your fair market value.

(d) **Goodwill Not Included.** The Restaurant's fair market value will not include the goodwill you developed in the market of the Grain & Berry™ Restaurant that exists independent of the goodwill of the Marks and the System. The length of the remaining term of the lease for the Site will not be considered in determining the Grain & Berry™ Restaurant's fair market value.

(e) **Excluded Assets.** We may exclude from the fair market value of assets purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Grain & Berry™ Restaurant's operation or that we have not approved as meeting standards for Grain & Berry™ Restaurants, and the purchase price will reflect such exclusions.

(f) **Payment of Purchase Price.** The purchase price will be paid at the closing of the purchase, which will take place at the time we choose, but not later than ninety (90) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners owe to us. At the closing, you agree to deliver instruments transferring to us: (i) 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; (ii) all licenses and permits of the Grain & Berry™ Restaurant which may be assigned or transferred; and (iii) the leasehold interest and improvements in the Site.

(g) **Delivery of Title and Escrow.** If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

17.6 Continuing Obligations. All of our and your (and your owners' and affiliates') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Examples include, without limitation, indemnification, payment, identification and dispute resolution provisions.

17.7 Additional Competitive Restrictions. Without limiting anything in Section 17.4, during the term of this Agreement and upon termination or expiration of this Agreement for any reason whatsoever (and you have not acquired a Successor Franchise), except if another Franchise Agreement with us is in good standing, you and your owners agree that for a period of two (2) years commencing on the effective date of termination or expiration neither you nor any of your owners will have any direct or indirect interest (e.g. through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, Manager, representative or agent or in any other capacity in any Competitive Business. If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of an order of an arbitrator, or court if necessary, 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 such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living. You and we agree that if any court or arbitrator were to determine that this Section 17.8 is not enforceable, the remaining in-term and post-termination provisions of this Agreement will stand along and will remain enforceable.

17.8 Assumption of Restaurant's Management. If we determine you have abandoned the Restaurant, or are not complying with System Standards or have breached this Agreement, we or our designee have the right (but not the obligation), under the circumstances described in the paragraph below, to enter the Site and assume the Restaurant's management for any period of time that we deem appropriate. All funds from the Restaurant's operation during the period of our (or our designee's) management will be kept in a separate account and all Restaurant expenses will be charged to such account. In addition to all other fees and payments owed hereunder, we may charge you a reasonable management fee that we specify, not to exceed 3% of the Restaurant's Gross Sales, plus any out-of-pocket expenses incurred in connection with the Restaurant's management and will not be liable to you for any debts, losses or obligations that the Restaurant incurs, or to any creditors for any supplies or other products or services purchased for the Restaurant, in connection with such management. We or our designee may assume the Restaurant's management under the following circumstances: (a) if you abandon or fail to actively operate the Restaurant for any period; or (b) we provide you with a notice, in the form specified in Subsection 17, of your violation of this Agreement, within the applicable cure period (if any). Our exercise of our rights under this Section will not affect our right to terminate this Agreement.

18. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

18.1 Independent Actors. You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent business actors 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 must not and will not act as our independent contractor for purposes of employment compensation taxes and the like. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, Restaurant personnel and others as the independent owner and operator of the Grain & Berry™ Restaurant under a Franchise we have granted and to place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time-to-time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

18.2 No Liability for Acts of Other Party. You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Grain & Berry™ Restaurant's operation or the business you conduct pursuant to this Agreement.

18.3 Taxes. We will have no liability for any sales, use, surcharge, service, occupation, excise, gross receipts, income, payroll, unemployment compensation, property or other taxes, whether levied upon you or the Grain & Berry™ Restaurant, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

18.4 Indemnification. You agree to indemnify, defend and hold harmless us, our affiliates, our parents, and our and our affiliates' and parents' respective shareholders, directors, officers, employees, agents, successors and assignees (the "**Indemnified Party(ies)**") against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any and all taxes described in Section 18.3 and any and all claims and liabilities directly or indirectly arising out of the Grain & Berry™ Restaurant's operation (even if our negligence is alleged, but not proven) or your breach of this Agreement. For purposes of this indemnification, "**claims**" includes all obligations, damages (actual,

consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys', paralegals' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us. Without limiting the foregoing, claims includes all claims, damages, attorneys' fees and costs arising from, out of, in connection with, or as a result of: (a) any personal injury, property damage, commercial loss or environmental contamination resulting from any act or omission of you or your employees, agents or representatives; (b) any failure on the part of you to comply with any requirement of any laws or any governmental authority; (c) any failure by you to pay any of its obligations to any person or entity; (d) any failure by you to comply with any requirement or condition of this Agreement or any other agreement with us; (e) any misfeasance or malfeasance by you; and (g) any tort committed by you or your employees, agents or representatives. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

19. INSURANCE.

19.1 Types Required. During the term of this Agreement, you must maintain in force, at your expense, the minimum amount and types of insurance coverage we designate and under policies of insurance issued by carriers approved or designated by us from time to time, including the following types of insurance coverage: (a) comprehensive, public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Grain & Berry™ Restaurant; (b) general casualty and property insurance including fire, flood, hurricane, vandalism and malicious mischief, and extended coverage insurance with a full replacement value of your inventory and contents of your Grain & Berry™ Restaurant, covering such risks as are covered in the Standard Extended Coverage Endorsement, and including coverage of at least \$1,000,000 per occurrence and \$1,000,000 aggregate coverage, insuring you and us, and their officers, directors, agents and employees from loss, liability, claim, damage or expense, including bodily injury, personal injury, death, property damage, products liability and other legal liability, resulting from the condition, operation, use, business or occupancy of the Grain & Berry™ Restaurant, including the surrounding premises, the parking area, and the sidewalks; (c) comprehensive motor vehicle insurance with coverage of at least \$1,000,000 per occurrence (including personal injury protection, uninsured motorist protection, and "umbrella" coverage) for any motor vehicles operated, owned or leased by your Grain & Berry™ Restaurant or used by any of your employees; (d) workers' compensation in the amounts required by applicable law for your Grain & Berry™ Restaurant; (e) "umbrella" liability insurance; in the minimum amount of \$1,000,000 that will provide liability insurance coverage for loss, liability, claim, damage or expense incurred by you and us in excess of the primary liability insurance coverage carried by the you; (f) liability insurance against liability for personal services care and negligence; (g) "special perils" property insurance coverage, which will include fire and extended coverage, for the inventory, machinery and FF&E owned, leased or used by you at the Grain & Berry™ Restaurant. The property insurance policy (including fire and extended coverage) must have coverage limits equal to at least actual "replacement" cost; (h) business interruption insurance coverage of at least \$3,000 per month for a minimum of 12 months insuring you against all compensable losses and damages resulting from an interruption in the operation of the Grain & Berry™ Restaurant; (i) if you, or any of your owners, owns, either directly or indirectly, the building or the business premises for the Grain & Berry™ Restaurant, then you will insure the building or the business premises for and against special perils, loss and damages in an amount equal to at least actual "replacement" cost (if the Grain & Berry™ Restaurant is either partially or completely destroyed by fire or any other catastrophe, then you will use the insurance proceeds to repair or reconstruct the Grain & Berry™

Restaurant as provided for in this Agreement and recommence business as soon as reasonably possible); (j) comprehensive crime and blanket employee dishonesty insurance; and (k) such other insurance we may designate from time to time or as is required under the Equipment Lease Agreement and any lease or other financing document (if any) for the Grain & Berry™ Restaurant.

19.2 Coverage Requirements. You must maintain the insurance coverages in the minimum amounts we prescribe from time-to-time in our System Standards. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of 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 and circumstances.

19.3 Policy Terms. All insurance policies must: (a) contain no provision which in any way limits or reduces coverage for us in the event of any claim by us or any of our affiliates, directors, officers or agents; (b) extend to provide indemnity for all obligations assumed by you under this Agreement and all items for which you are required to indemnify us under the provisions of this Agreement or otherwise; (c) name us and our affiliates as additional insureds; (d) contain a waiver of the insurance company's right of subrogation against us; (e) provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured; (f) require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against you and or us, and your or our officers, directors, agents and employees; (g) provide that the insurance company will provide us with at least thirty (30) days' prior written notice of termination, expiration, cancellation or material modification of any policy; and (h) provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent.

19.4 Evidence of Coverage. Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your Grain & Berry™ Restaurant required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf will reduce or absolve you of any obligations of indemnification described in this Agreement.

20. ENFORCEMENT.

20.1 Severability; Substitution of Valid Provisions. Except as otherwise stated in this Agreement, each term of this Agreement, and any portion of any term, are severable. To the extent any provision is deemed unenforceable, the remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provision will be enforced to the fullest extent permissible under governing law. This Agreement will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking of some other action not described in this Agreement; or (c) if any System Standard is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

20.2 **Waivers.** We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if there develops a custom or practice which is at variance with the terms of this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else.

20.3 **Limitation of Liability.** Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from: (a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof; (b) acts of God; or (c) acts or omissions of a similar event or cause. However, such delays or events do not excuse payments of amounts owed at any time.

20.4 **Approval and Consents.** Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

21. DISPUTES SUBJECT TO ARBITRATION.

21.1 **Agreement to Arbitrate.** You and we acknowledge that resolving disputes prior to commencing arbitration hearings or court proceedings is in the best interests of both parties, all other franchisees and the Business System. Therefore, the parties agree that they will seek to settle any dispute between them prior to arbitration. However, if the parties are unable to settle the dispute or controversy, then except as expressly provided to the contrary in Sections 21.12, 21.13 and 21.6 of this Agreement, all disputes and controversies between you and we, including allegations of fraud, misrepresentation and violation of any state or federal laws, rules or regulations, arising under, as a result of, or in connection with this Agreement, the Grain & Berry™ Restaurant or the Franchisee's Restaurant are subject to and will be resolved exclusively by arbitration conducted according to the then current commercial arbitration rules of the American Arbitration Association.

21.2 **Notice of Dispute.** The party alleging the dispute must provide the other party with written notice setting forth the alleged dispute in detail. The party who receives written notice alleging the dispute will have 30 days after receipt of the written notice to correct, settle or compromise the dispute specified in the written notice. If the written notice alleges that the Franchisee is delinquent in the payment of any fees or other payments payable to us, the Franchisee will have 10 days to make full payment (including interest and administrative fees as provided for herein) to us.

21.3 **Demand for Arbitration.** If the dispute alleged by either party has not been corrected, settled or compromised within the time period provided for in Section 21.11, then either party may demand arbitration in accordance with the Code of Procedure of the National Arbitration Forum. Unless agreed otherwise by the parties, three Arbitrators will be selected to hear the matter, one of which must be a retired judge. You and we will each fully perform their obligations under this Agreement during the entire arbitration process.

21.4 **Venue and Jurisdiction.** All arbitration hearings will take place exclusively in Hillsborough County, Florida, and will be held no later than 90 days after the Arbitrators have been selected.

You and we and its officers, directors, Owners and the Personal Guarantors do hereby agree and submit to personal jurisdiction in the State of Florida in connection with any arbitration hearings hereunder and any suits brought to enforce the decision of the Arbitrators, and do hereby waive any rights to contest venue and jurisdiction in the State of Florida and any claims that venue and jurisdiction are invalid.

21.5 Powers of Arbitrators. The authority of the Arbitrators will be limited to making a finding, judgment, decision and award relating to the interpretation of or adherence to the written provisions of this Agreement. The Federal Rules of Evidence (the "**Rules**") will apply to all arbitration hearings and the introduction of all evidence, testimony, records, affidavits, documents and memoranda in any arbitration hearing must comply in all respects with the Rules and legal precedents interpreting the Rules. Both parties will have the absolute right to cross-examine any person who testified against them or in favor of the other party. The Arbitrators will have no authority to add to, delete or modify in any manner the terms and provisions of this Agreement. All findings, judgments, decisions and awards of the Arbitrators will be limited to the dispute set forth in the written demand for arbitration, and the Arbitrators will have no authority to decide any other issues. We and you further agree that, in any arbitration proceeding, except for excluded disputes in Section 21.6, 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 as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us and will not have the right to declare any Mark generic or otherwise invalid. Except as provided in Section 21.10, the Arbitrators will not have the right or authority to award punitive damages to either us or you, our or your officers, directors, Owners and the Personal Guarantors, and you and we and their officers, directors, Owners and the Personal Guarantors expressly waive their rights to plead or seek punitive damages. All findings, judgments, decisions and awards by the Arbitrators will be in writing, will be made within 60 days after the arbitration hearing has been completed, and will be final and binding on you and us. The written decision of the Arbitrators will be deemed to be an order, judgment and decree and may be entered as such in any court of competent jurisdiction by either party. If, during the course of arbitration, either party fails to appear at a meeting or hearing duly scheduled in accordance with the Code of Procedure of the NAF, the Arbitrators will have the absolute right to enter a default judgment and resulting order against the party failing to appear.

21.6 Disputes Not Subject to Arbitration. Notwithstanding Section 21.1 or anything to the contrary in this Agreement, the following disputes between you and us will not be subject to arbitration: (a) your or your owners', employees', officers', directors' or agents' use of the System, Marks or Copyrights; (b) your obligations upon termination or expiration of this Agreement; and (c) your or your owners', officers', directors', employees' or agents' violation of the provisions of this Agreement relating to confidentiality and the covenants not to compete.

21.7 No Collateral Estoppel or Class Actions. All arbitration findings, conclusions, orders and awards made by the Arbitrators will be final and binding on you and we; however, such arbitration findings, conclusions, orders and awards may not be used to collaterally estop either you or we from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing or other proceeding involving third parties, including other franchisees. You and we agree that no person or entity except you and we, and your and our respective officers, directors, owners and/or personal guarantors will have the right to join in, become a party, litigate or participate in any arbitration proceeding arising under this Agreement, and therefore, you and we specifically agree that the NAF and the Arbitrators appointed under the NAF procedural rules will not be authorized to permit class actions or to permit any other person or entity to be involved, participate, or be named as a litigating party in any arbitration proceeding or matter brought under this Agreement by you or we or your and our respective officers, directors, owners and/or personal guarantors.

21.8 Confidentiality. All evidence, testimony, records, documents, findings, decisions, judgments and awards pertaining to any arbitration hearing between you and us will be secret and confidential in all respects. Except as provided for in Section 21.5 or as may be required by law, You and we will not disclose the decision or award of the Arbitrators and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or entity except as required by law. Nothing herein will prevent either party from disclosing or using any information presented in any arbitration proceeding in any subsequent court hearing brought by either you or we pursuant to this Agreement.

21.9 Federal Arbitration Act. Any issue regarding arbitration will be governed by the Federal Arbitration Act and the federal common law of arbitration.

21.10 Waiver of Punitive Damages. EXCEPT FOR YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION 18.4 OF THIS AGREEMENT AND CLAIMS FOR UNAUTHORIZED USE OF OUR MARKS, COPYRIGHTS OR CONFIDENTIAL INFORMATION OR YOU OR YOUR OWNERS', OFFICERS', DIRECTORS', EMPLOYEES' OR AGENTS' VIOLATION OF THE NONCOMPETITION COVENANTS, YOU AND WE EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US THAT ARE SUBJECT TO THE LIMITATION OR EXEMPTION OF PUNITIVE DAMAGES, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

21.11 Limitations of Claims. ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) UNDER-REPORTING OF GROSS REVENUES; (B) UNDER-PAYMENT OF AMOUNTS OWED TO US OR OUR AFFILIATES; (C) CLAIMS FOR INDEMNIFICATION; AND/OR (D) UNAUTHORIZED USE OF THE MARKS OR COPYRIGHTS. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

21.12 Governing Law. EXCEPT TO THE EXTENT THIS AGREEMENT OR ANY PARTICULAR DISPUTE IS GOVERNED BY THE U.S. TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 AND THE SECTIONS FOLLOWING IT) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE FRANCHISE ARE GOVERNED BY FLORIDA LAW, EXCLUDING ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP BETWEEN A FRANCHISOR AND FRANCHISEE, UNLESS THE JURISDICTIONAL REQUIREMENTS OF SUCH LAWS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION. ALL MATTERS RELATING TO ARBITRATION ARE GOVERNED BY THE FEDERAL ARBITRATION ACT. References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

21.13 Jurisdiction. YOU AND WE CONSENT AND IRREVOCABLY SUBMIT TO THE JURISDICTION AND VENUE OF ANY STATE COURT OF COMPETENT JURISDICTION LOCATED IN HILLSBOROUGH COUNTY, FLORIDA AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE ARBITRATION AS DESCRIBED IN THIS

AGREEMENT OR THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES IN ANY JUDGMENT OBTAINED IN ANY SUCH JURISDICTION, IN ANY OTHER APPROPRIATE JURISDICTION OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY APPROPRIATE JURISDICTION.

21.14 Waiver of Jury Trial. YOU AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

21.15 Cumulative Remedies. The rights and remedies provided in this Agreement are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

21.16 Costs and Attorneys' Fees. If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal or arbitration proceeding or if either you or we are required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

21.17 Binding Effect. This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this Agreement, this Agreement will also be binding on your successors and assigns, and your heirs, executors and administrators.

21.18 Entire Agreement. This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by both you and us. However, nothing contained in this Section will limit your right to rely on statements made in our Franchise Disclosure Document.

21.19 No Liability to Others; No Other Beneficiaries. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement. Except as specifically described in this Agreement, no other party has any rights because of this Agreement. The Franchisee acknowledges that other Grain & Berry™ franchisees have or will be granted franchises at different times, different locations, under different economic conditions and in different situations, and further acknowledges that the economics and terms and conditions of such other franchises may vary substantially in form and in substance from those contained in this Agreement.

21.20 Construction. The headings of the sections are for convenience only. If two or more persons are at any time Franchise owners hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us are joint and several. This Agreement may be signed in multiple copies, each of which will be an original. "A or B" means "A" or "B" or both.

21.21 Certain Definitions. The term "family member" refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses. The term "affiliate" means any Business Entity directly or indirectly owned or controlled by a person, under common control with a person or controlled by a person. The terms "franchisee, franchise owner, you and your" are applicable to one or more persons, a

Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term “person” includes individuals and Business Entities. You and we are sometimes referred to individually as a “party” and collectively as “parties.” The term “section” refers to a section or subsection of this Agreement. The word “control” means the power to direct or cause the direction of management and policies. The word “owner” means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets. Where a measure of distance is indicated, the distance is measured as a straight-line shortest measure from such two points.

21.22 Timing is of the Essence. It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words “from” and “commencing on” (and the like) mean “from and including”; and the words “to,” “until” and “ending on” (and the like) mean “to but excluding.” Indications of time of day mean Michigan time.

21.23 Exercise of our Business Judgment. We have the right, in our sole judgment to operate, develop and change the System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information readily available to us and our judgment of what is in our and/or our franchise network’s best interests at the time our decision is made, regardless of whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision or the action we take promotes our financial or other individual interest.

21.24 Electronic Mail. You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and Affiliates (“Official Senders”) to you during the Term. You further agree that (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders’ transmission of e-mails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term. The consent given in this Subsection will not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

22. MISCELLANEOUS.

22.1 No Warranties by Us. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of Grain & Berry™ Restaurants. You acknowledge and understand the following: (a) any statement regarding the potential or probable revenues, sales or profits of the business venture are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement; (b) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Grain & Berry™ Restaurant owned by us or our affiliates, or that is not contained in our Franchise Disclosure Document, is unauthorized, unwarranted and unreliable and should be reported to us immediately; and (c) you have not received or

relied on any representations about us or our franchising program or policies made by us, or our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement. If there are any exceptions to any of the foregoing, you agree to: (i) immediately notify our President; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it.

22.2. Your Operation by a Business Organization. If you are, at any time, a business organization (like a corporation, limited liability company or partnership) ("**Business Entity**"), you agree and represent that you have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation. You and your owners agree to complete and on an ongoing basis immediately revise and send to us any changes to the Principal Owner's Statement will completely and accurately describe all of your owners and their interests in you (a copy of our current form of Principal Owner's Statement is attached as an exhibit to our Franchise Disclosure Document. Each of your Principal Owners, during the term of this Agreement, will sign and deliver to us our standard form of Principal Owner's Guaranty ("**Owner's Guaranty**") undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us. A copy of our current form of Principal Owner's Guaranty is attached as an exhibit to our Franchise Disclosure Document. At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and agents (like Articles of Incorporation or organization and partnership, operating or shareholder agreements).

22.3 Your Acknowledgments. You acknowledge and agree that: (a) you have read this Agreement and our Franchise Disclosure Document; (b) you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each Grain & Berry™ Restaurant and to protect and preserve the System, Copyrights and goodwill of the Marks; (c) you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a Grain & Berry™ Restaurant may evolve and change over time; (d) an investment in a Grain & Berry™ Restaurant involves business risks and that your business abilities and efforts are vital to the success of the venture; (e) any information you acquire from other Grain & Berry™ Restaurant franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information; and (f) in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such persons as a result of this Agreement are solely between you and us.

22.4 Your Representations. You represent to us, as an inducement to our entry into this Agreement, that: (a) all statements you have made and all materials you have submitted to us in connection with your purchase of a Grain & Berry™ Restaurant franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise; (b) you will comply with and/or assist us to the fullest extent possible in our efforts to comply with Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the "**Anti-Terrorism Laws**"); (c) neither you nor any of your owners, employees, agents, property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor they are otherwise in violation of any of the Anti-Terrorism Laws; and (d) you have read, in their entirety, this Agreement and the Franchise Disclosure Document. We have approved your request to purchase a Grain & Berry™ Restaurant in reliance on all of your representations.

23. NOTICES AND PAYMENTS.

All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered: (a) two (2) business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or (b) three (3) business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid. All such notices must be addressed to us at the address on Page 1, attention Douglas Lang and to you at the address in Exhibit A. Either you or we may change the address for delivery of all notices and reports and any such notice will be effective within ten (10) business days of any change in address. Any required payment or report not actually received by us during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior to such date, or in which the receipt from the commercial courier service is not dated prior to two (2) days prior to such date) will be deemed delinquent.

Intending to be bound, you and we sign and deliver this Agreement in two (2) counterparts effective on the Agreement Date, regardless of the actual date of signature.

"US":
GRAIN & BERRY CAFÉ, LLC

By: _____
Name: _____
Title: _____
Date: _____

"YOU":

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"
TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT

1. **Franchise Fee.** The Franchise Fee is: \$ _____
2. **System Development Fee.** The System Development Fee as of the Agreement Date is 1% of Gross Sales.
3. **Site Selection Area.** Your Site must be located within the following geographic area: _____

☐ [Check if map attached]

☐ [Check if to be determined after signing the Franchise Agreement]

If you and we have not selected a Site Selection Area and indicated in advance at the time you sign the Franchise Agreement, you and we must agree on a Site Selection Area within 60 days of the Agreement Date. Designation of the Site Selection Area is subject to our sole discretion and any rights we have granted to any other franchisees or which we may subsequently grant to any other franchisees. If you and we cannot agree on a Site Selection Area within 60 days of the Agreement Date, we may (a) terminate the Franchise Agreement or (b) designate a Site Selection Area which we determine in our sole discretion.

4. **Site.** The address of your approved Site is:

☐ [To be determined within the Site Selection Area after signing of the Agreement]

5. **Protected Market Area.** The Protected Market Area for your Grain & Berry™ Restaurant (as referenced in Section 2.3 of the Franchise Agreement) is as follows:

☐ [Check if map attached]

6. **Agreement Date.** The Agreement Date is _____.

7. **Franchisee.** The "Franchisee," "you" or "your" means _____, a _____.

8. **Local Advertising Expenditures.** Your minimum Local Advertising Expenditures are ☐ 5% of monthly Gross Sales or ☐ _____ % of monthly Gross Sales.

9. **Current Mailing Address of Franchisee.** The corporate/ mailing address of the Franchisee for providing notice is:

"US":
GRAIN & BERRY CAFÉ, LLC

By: _____

Name: _____

Title: _____

Date: _____

"YOU":

Name: _____

Date: _____

Name: _____

Date: _____

SCHEDULE 1
to EXHIBIT A

- ☐ MAP OF SITE SELECTION AREA
- ☐ MAP OF PROTECTED MARKET AREA
- ☐ BOTH

SCHEDULE 2
to EXHIBIT A

PRE-OPENING PACKAGE ITEMS

I. Pre-Opening Package Items:

Quantity	Type

II. Other Pre-Opening Package Items:

Quantity	Item	Estimated Delivery Date

**EXHIBIT "B" TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT**

**FORM OF
ADDENDUM TO LEASE AGREEMENT**

(The following form contains a sample of the language required by the Franchise Agreement. You may provide this to your attorney to use as a sample when he or she reviews your lease. Sample Form only. Consult with your attorney or real estate advisor. Do not use this form without obtaining your own legal advice.)

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT (this "Addendum") is effective as of _____, 20____ (the "Effective Date"), and is being signed simultaneously with the Lease (the "Lease") dated _____, 20____ between _____ (the "Franchisee" or "Tenant") and _____ (the "Landlord") for the real property commonly known as _____ (the "Premises").

1. **Incorporation and Precedence.** This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease.

2. **Background.** The Tenant will operate a Grain & Berry™ Restaurant at the Premises under a Franchise Agreement dated _____, 20____ (the "Franchise Agreement") with Grain & Berry Cafe, LLC (the "Franchisor"). By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease, all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for: (a) the payment of any obligation, liability or other amount owed by Tenant or its affiliates to the Franchisor under the Franchise Agreement. The Franchise Agreement also requires that the Lease contain provisions that the Tenant is requesting the Landlord to include.

3. **Marks.** The Tenant has the right to display the trade and services marks set forth on Exhibit A to this Addendum and incorporated by reference herein in accordance with the specifications required by the Franchisor, subject only to the provisions of applicable law, for the term of the Lease.

4. **Easement.** The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or replace its signage or its panel on the pylon sign for the property. The Tenant has the right to change or alter the signage at any time during the term of the Lease provided the signage is in compliance with all applicable governmental codes and regulations. The signage may include: (a) signage on the exterior front wall of the Premises; (b) signage on another exterior portion of the Premises; (c) a separate pylon sign on the property; (d) separate signage on the property; (e) a panel on the pylon sign for the property; and (f) other signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant.

5. **Access to Premises.** During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to inspect the Premises and Tenant's business operations in accordance with the Franchise Agreement.

6. **Copies of Reports.** The Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of the Tenant's Grain & Berry™ Restaurant on a timely basis as the Franchisor may request, during the term of the Lease.

7. **Notice of Default.** The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant) of any default (a "Default") by the Tenant under the Lease by

certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time:

Grain & Berry Cafe, LLC
33840 U.S. Hwy 19 N.
Palm Harbor, Florida 34684
Attention: Douglas Lang

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within 15 days after the expiration of the period in which the Tenant may cure the Default under the Lease.

8. Franchisor's Assumption of Lease. In the event of a Default of the Lease by Tenant or the default of the Franchise Agreement by Tenant, and upon written notice by the Franchisor to have the Lease assigned to the Franchisor as lessee (the "Assignment Notice"), (i) the Franchisor will become the lessee of the Premises and will be liable for all obligations under the Lease arising after the date of the Assignment Notice, and (ii) the Landlord will recognize the Franchisor as the lessee of the Premises effective as of the date of the Assignment Notice.

9. Default Under Franchise Agreement. Any Default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

10. Non-Disturbance. So long as the Lease term continues and the Tenant is not in Default under the Lease, the Tenant's use, possession and enjoyment of the Premises will not be interfered with by any lender of the Landlord or any other person. The Landlord agrees to use its best efforts to obtain prior to commencement of the Lease any documents necessary to ensure the foregoing, including a Subordination, Non-Disturbance and Attornment Agreement or similar agreement.

11. Amendment. The Landlord and the Tenant will not cancel, terminate, modify or amend the Lease including, without limitation, the Franchisor's rights under this Addendum, without the Franchisor's prior written consent.

12. Benefits and Successors. The benefits of this Addendum inure to the Franchisor and to its successors and assigns.

13. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect.

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature.

WITNESSES:

"TENANT"

By: _____
Name: _____
Address: _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Address: _____

By: _____
Name: _____
Title: _____
Date: _____

WITNESSES:

By: _____
Name: _____
Address: _____

"LANDLORD"

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Address: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Marks

(Not an exclusive list)



**EXHIBIT "C" TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT**

STATE SPECIFIC RIDERS

COLORADO ADDENDUM TO FRANCHISE AGREEMENT
COMPETITIVE RESTRICTION BUY-OUT ADDENDUM

THIS ADDENDUM (this "Addendum") is effective as of _____ (the "Effective Date") (regardless of the actual date of signature), and amends the Franchise Agreement (the "Agreement") dated _____ between **GRAIN & BERRY CAFE, LLC** ("we," "us," or "our") and _____ ("you," or "your").

1. **Precedence and Defined Terms.** This Addendum is an integral part of, and is incorporated into, the Agreement to the extent the state of Colorado requires a liquidated damages provision in order for non-competition provisions to be enforceable. Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement. The accommodations under this Addendum are being granted to you at your request and for your benefit.

2. **Competitive Restrictions.** Section 17.4 of the Agreement contains competitive restrictions upon the termination or expiration of the Agreement (the "Competitive Restriction").

3. **Competitive Restriction Buy-Out Option.** In exchange for a lump sum payment of \$1,000,000 within fifteen days of the termination or expiration of the Agreement ("Buy Out Price"), you can buy out the Competitive Restriction. Upon receipt of the Buy Out Price, you will be released from and no longer be bound by the Competitive Restriction. However, you will remain bound by all other post-termination and post-expiration obligations and restrictions contained in the Agreement (including, without limitation, all confidentiality provisions). You agree that the Buy Out Price is, and will be, a reasonable price of your ability to buy out the Competitive Restriction.

"US" GRAIN & BERRY CAFE, LLC

"YOU"

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

GEORGIA COMPETITIVE RESTRICTIONS

If your Franchise Agreement is governed by Georgia law, or if Georgia Law applies to the competitive restrictions in it, Section 17.6 is modified to read as follows:

17.4 Competitive Restrictions: Upon termination or expiration of this Agreement for any reason whatsoever (and you have not acquired a Successor Franchise), you and your owners agree that for a period of two (2) years commencing on the effective date of termination or expiration neither you nor any of your owners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, Manager, representative or agent or in any other capacity in any Competitive Business operating at or within 25 miles of the Site, within the Protected Market Area. If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the two (2) year period will commence with the entry of an order of a court if necessary, 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 such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

“US” GRAIN & BERRY CAFE, LLC

By: _____
Name: _____
Title: _____
Date: _____

“YOU”

By: _____
Name: _____
Title: _____
Date: _____

**TEXAS ADDENDUM TO FRANCHISE AGREEMENT
COMPETITIVE RESTRICTION BUY-OUT ADDENDUM**

THIS ADDENDUM (this "Addendum") is effective as of _____ (the "Effective Date") (regardless of the actual date of signature), and amends the Franchise Agreement (the "Agreement") dated _____ between GRAIN & BERRY CAFE, LLC ("we," "us," or "our") and _____ ("you," or "your").

1. **Precedence and Defined Terms.** This Addendum is an integral part of, and is incorporated into, the Agreement to the extent the state of Texas requires a liquidated damages provision in order for non-competition provisions to be enforceable. Nevertheless, this Addendum supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement. The accommodations under this Addendum are being granted to you at your request and for your benefit.

2. **Competitive Restrictions.** Section 17.4 of the Agreement contains competitive restrictions upon the termination or expiration of the Agreement (the "Competitive Restriction").

3. **Competitive Restriction Buy-Out Option.** In exchange for a lump sum payment of \$1,000,000 within fifteen days of the termination or expiration of the Agreement ("Buy Out Price"), you can buy out the Competitive Restriction. Upon receipt of the Buy Out Price, you will be released from and no longer be bound by the Competitive Restriction. However, you will remain bound by all other post-terminations and post-expiration obligations and restrictions contained in the Agreement (that includes, without limitations all confidentiality provisions). You agree that the Buy Out Price is, and will be, a reasonable price of your ability to buy out the Competitive Restriction.

"US" GRAIN & BERRY CAFE, LLC

"YOU"

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**STATE ADDENDUM TO THE GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF INDIANA**

1. Under Indiana Code 23-2-2.7-1(10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Sections 21.12 and 21.13 of the Franchise Agreement.
2. Under Indiana Code 23-2-2.7-1(10), franchisee may not agree to waive any claims or rights.

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

GRAIN & BERRY CAFE, LLC

YOU

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

**EXHIBIT "D" TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT**

SBA ADDENDUM



ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between GRAIN & BERRY CAFE, LLC ("Franchisor") located at 33840 U.S. Hwy 19 N., PALM HARBOR, FLORIDA 34684, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicable Franchisee and the franchise system must meet all SBA requirements.

**EXHIBIT "E" TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT**

**FORM OF NOTICE OF DESIGNATION OF PROTECTED AREA AND SITE SELECTION
AREA AND/OR SITE AFTER EXECUTION OF FRANCHISE AGREEMENT**

1. Your Protected Area is: _____
☐ [Check if Map is attached]
2. Your Site Selection Area is: _____
☐ [Check if Map is attached]
3. Your site is: _____

GRAIN & BERRY CAFE, LLC

By: _____
Name: _____
Title: _____
Date: _____

**EXHIBIT "F" TO THE
GRAIN & BERRY CAFE, LLC
FRANCHISE AGREEMENT**

**FRANCHISOR TRANSFER OF OWNERSHIP APPROVAL AND
CONSENT TO ASSIGNMENT AGREEMENT**

This Franchisor Transfer of Ownership Approval and Consent to Assignment Agreement (the "Assignment"), effective as of _____ (the "Transfer Date"), is by and between **GRAIN & BERRY CAFE, LLC**, a Florida limited liability company ("Franchisor"), _____ ("Assignor" and "Transferor" and "Guarantor"); and _____ ("Assignee" and "Transferee") (independently each is a "Party" and collectively the "Parties").

BACKGROUND INFORMATION

Franchisor and Transferor are parties to three certain Grain & Berry™ Franchise Agreements (the "Franchise Agreements") each dated _____ (attached as **Exhibit "C"**). Transferor has represented to Franchisor that Transferor wishes to assign all rights and responsibilities under the Franchise Agreements to Assignee, Assignee wishes to accept the assignment, and they have requested Franchisor's consent to the assignment as required by the Franchise Agreements.

OPERATIVE PROVISIONS

1. Transferee and Transferor acknowledge and represent that: Transferee is an entity wholly owned by Transferor and Transferor controls the Transferee; the investment opportunity is not being offered by or through the Franchisor, but is being offered by Transferor to the Transferee, subject to Franchisor's approval; the Transferor is not an agent of the Franchisor; and the Transferor is not soliciting this investment opportunity on behalf of the Franchisor.

2. Effective on the Transfer Date, Transferor hereby assigns to Transferee and Transferee assumes all of Transferor's rights, title and interest in and to each of the Franchise Agreements (attached as **Exhibit "C"**). Franchisor approves such transfer.

3. Transferee will complete and execute a new Principal Owners Statement (**Exhibit "A-1"**) and Principal Owners' Guaranty (**Exhibit "A-2"**), and shall be signed simultaneously herewith. Transferor will simultaneous with its execution of this Assignment, execute the General Release contained in **Exhibit "B"** attached hereto.

4. This Assignment amends, modifies and supersedes any conflicting provisions of the Franchise Agreements, and constitutes the entire agreement of the parties with respect to this Assignment; there are no other oral or written understandings or agreements between the Parties concerning the subject matter of this Assignment; except as expressly provided otherwise herein, this Assignment may only be modified in writing and signed by all parties; and except as modified by this Assignment, the Franchise Agreements remain in full force and effect. This Assignment is not effective on the date first above written nor enforceable unless and until all parties who are duly authorized to do so have formally affixed their signature hereto. This Assignment and its Exhibits may be signed in counterparts, with each counterpart being an original signature and attached to the original copy of each Franchise Agreement. The Exhibits to this Assignment are integral parts of this Assignment and are incorporated into it by this reference.

INTENDING TO BE BOUND, the parties hereto have executed this Assignment which is effective as of the date first above written, regardless of the actual date of signature:

"ASSIGNOR/TRANSFEROR"

By: _____
Name: _____
Date: _____

"FRANCHISOR"

GRAIN & BERRY CAFE, LLC,
a Florida limited liability company

By: _____
Name: _____
Title: _____
Date: _____

"ASSIGNEE/TRANSFeree"

a _____

By: _____
Name: _____
Title: _____

EXHIBIT "A-1"

PRINCIPAL OWNER STATEMENT

This form must be completed by the Franchisee ("I," "me," or "my") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to me.

Form of Franchisee. I am a (check one):

- | | |
|---------------------------|--------------------------|
| General Partnership | ☐ |
| Corporation | ☐ |
| Limited Partnership | ☐ |
| Limited Liability Company | ☐ |
| Other | ☐ |

Specify _____

Business Entity. I was incorporated or formed on _____, under the laws of the State of _____. I have not conducted business under any name other than my corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

Owners. The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name	Address	Description of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of your entity (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____.

INDIVIDUALS:

Signature _____

Name: _____

Signature _____

Name: _____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

Name _____

By: _____

Title: _____

EXHIBIT "A-2"

PRINCIPAL OWNERS' GUARANTY

This Principal Owners' Guaranty (this "**Guaranty**") must be signed by the principal owners (referred to as "**you**" for purposes of this Guaranty only) of _____, the "**Business Entity**", and the Transferee and Assignee of three Franchise Agreements effective as of _____, as amended (the "**Franchise Agreements**"), between the Business Entity and **GRAIN & BERRY CAFE, LLC**, a Florida limited liability company ("**us**," "**our**" or "**we**").

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Franchisor Transfer of Ownership Approval and Consent to Assignment Agreement (the "**Assignment**"), each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that your Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreements.

2. **Waivers.** To the extent permitted by law, each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Franchise Agreements upon demand if the Business Entity fails to do so after you and the Business Entity has received notice and have failed to cure within the time periods provided under the Franchise Agreements; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Assignment and, if required by the Franchise Agreements.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, then you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Transfer Date of the Assignment, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreements. This Guaranty is governed by California law and we may enforce our rights regarding it in the state of California. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now sign and deliver this Guaranty effective as of the date of the Assignment regardless of the actual date of signature.

INTEREST IN BUSINESS ENTITY

GUARANTOR(S)

_____%

Name: _____

_____%

Name: _____

EXHIBIT "B"

RELEASE BY TRANSFEROR/ASSIGNOR

THIS RELEASE AND AGREEMENT NOT TO SUE ("**Release**") is given by _____ and all of its predecessors, parent company, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their employees, owners, officers, directors, heirs, beneficiaries, executors and administrators (individually and collectively, "**Releasor**") to GRAIN & BERRY CAFE, LLC, and their predecessors, agents, affiliates, subsidiaries, parents, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (individually and collectively, "**Released Parties**").

Releasor is a party to three Grain & Berry™ Franchise Agreements dated effective _____ (the "**Franchise Agreements**"). Releasor seeks to, pursuant to the terms of the Franchise Agreements and the Consent to Assignment Agreement dated _____ (the "**Assignment**"); transfer its rights under the Franchise Agreements to _____ ("**Transferee**"). As a result of such transaction (the "**Transfer**"), Releasor and Transferee will engage in a transaction that constitutes a "transfer" under the terms of the Franchise Agreements. The Franchise Agreements and Assignment require Franchisee to provide this release to Released Parties as a condition to entering into the Transfer. For good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Releasor hereby agrees as follows:

1. Effective on the date of this Release, and subject to the exceptions set forth in Paragraph 5 below, Releasor forever releases and discharges Released Parties from and agrees not to file or prosecute any litigation or arbitration for any and all claims, causes of action, suits, debts, agreements, promises, damages, losses, liens, demands, controversies, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, known or unknown, suspected or unsuspected, fixed or contingent, past or present, which Releasor now has, holds, claims to have claims to own, or claims to hold or ever had, claimed to have, claimed to hold or claimed to own, against Released Parties, including without limitation, anything arising out of that certain Prior Agreement, the relationship under which Releasor was sold training, products or services to enable it to operate or begin a business of operating multiple Grain & Berry™ Restaurant franchised businesses, the business relationship between Released Parties and Releasor and any other relationships between Releasor and Released Parties; except Released Parties' obligations to the Franchise Agreements and Assignment which this Release is an Exhibit. This Release is intended by the parties' agreements effectuating the Transfer. Subject to the foregoing, this Release is intended by the parties to be unqualifiedly general in scope and effect and effective for: (a) any and all claims and obligations, including those of which Releasor is not now aware; and (b) all claims Releasor has from anything which has happened up to now. You agree that we have the right to injunctive relief for, and you agree to entry of injunction dismissing any claims or counterclaims you may bring in contradiction to or breach of this release and covenant not to sue.

Each party acknowledges that there is a risk that, subsequent to the execution of this Release, it will discover, incur or suffer claims which are unknown or unanticipated at the time this Release is executed, including without limitation, unknown or unanticipated claims which arose from, are based upon, or are related to the Franchise Agreements or any other agreement with Released Parties or some part or aspect thereof, which if known by it on the date this Release is being executed may have materially affected its decision to execute this Release. Each party acknowledges and agrees that it is assuming the risk of such unknown and unanticipated claims and agrees that its release contained in this Release applies thereto.

By affixing their signatures to this Release, the parties acknowledge that they have carefully read and fully understand the provisions of this Release and that their release of such claims is knowing and voluntary. The parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to

executing this Release, and that they have executed this Release voluntarily. Each party represents that it does not rely and has not relied upon any representation or statement made by any of the Released Parties, or any of their representatives with regard to the subject matter, basis or effect of this Release.

2. **Covenant Not to Sue.** The parties covenant and agree for themselves and for their assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively, the "**Covenantors**") not to bring or allow to be brought on behalf of any Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for the actual or punitive damages or other relief, against one another arising out of, resulting from, or in any manner related to the matters released under this Release. The Released Parties acknowledge that this Release shall be a complete defense to any claim released under this Release and hereby consent to the entry of a temporary or permanent injunction to end the assertion of any such claim.

3. **Releasor is bound by this Release.** Releasor freely and voluntarily gives this Release to Released Parties for good and valuable consideration and Releasor and Released parties acknowledge its receipt and sufficiency. Releasor is giving up its right to sue and promises not to litigate certain claims under this Release. The parties are executing this License after independent investigation and without fraud, duress, or undue influence

4. **For the purpose of implementing a full and complete release and discharge of all such known and unknown claims,** Releasor expressly acknowledges that this Release is intended to include and does include in its effect, without limitations, any and all rights and claims except Released Parties', which Franchisee does not know or suspect to exist in Releasor's favor, as of the date of execution of this Release and that this Release expressly provides for the extinguishment of all such claims, including but not limited to, any and all rights or claims under any applicable federal, state or local statute, regulation or common law.

5. **Releasor expressly acknowledges that if Releasor is located in California or is a resident of California,** it has been fully advised by its attorney of the contents of Section 1542 of the Civil Code of California, and that that section and the benefits thereof are hereby expressly waived. Section 1542 reads as follows:

Section 1542. (General Release—Claims Extinguished.) A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of Claims, the Parties expressly acknowledge that this Release is intended to include in its effect, without limitations, all Claims which the Parties do not know or suspect to exist in their favor at the time of execution hereof, and that the settlement agreed upon contemplates the extinguishment of any and all such Claims.

6. **Releasor represents and warrants to Released Parties that Releasor has not assigned or transferred to any other person any claim or right Releasor had or now has relating to or against the Released Parties.**

7. **Releasor acknowledges and agrees that if Releasor violates this Release, Releasor will cause the Released Parties immediate economic harm in the form of the Released Parties' time, economic disruption and attorneys' fees in responding to any such lawsuit or claim released hereunder. Accordingly, should Releasor file suit or counterclaim (in litigation or arbitration) or threaten any of the same, Releasor will immediately, upon demand from Released Parties, pay to Released Parties \$25,000 as partial, but not full**

accord and satisfaction of such expenses incurred or likely to be incurred by them in evaluating and responding to such claims or threatened claims. Such liquidated damages will not preclude or be in lieu of any other actual or consequential damages, or attorneys' fees bore by Releasor hereunder or as a breach hereof.

8. In this Release, each pronoun includes the singular and plural as the context may require.

9. This Release is governed by Florida law or ☐ _____ law (if box checked).

This Release is effective As of the date _____ notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned Releasor executes this Release:

Signature: _____
Name: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by _____, on behalf of
_____ who is personally known to me or has produced
_____ as identification.

Signature of Notary
Printed Name of Notary _____
Notary Public, State of _____
Serial Number of Notary _____

EXHIBIT "C"

FRANCHISE AGREEMENT(S) DATED _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

**CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS
AND LISTINGS**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this "Assignment") is effective as of _____, between GRAIN & BERRY CAFE, LLC, a Florida limited liability company, with its principal place of business at 5499 Federal Highway, Suite M, Boca Raton, Florida 33487 ("we," "us" or "our") and _____, whose current place of business is _____. ("you" or "your"). You and we are sometimes referred to collectively as the "parties" or individually as a "party".

BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the "Franchise Agreement") dated as of _____, 20____ with you, pursuant to which you plan to own and operate a Grain & Berry™ Restaurant (the "Grain & Berry™ Restaurant"). Grain & Berry™ Restaurants use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the "System"). We identify Grain & Berry™ Restaurants and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the "Marks"). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Grain & Berry™ Restaurant if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information.** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment.** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the "Numbers and Listings") associated with the Marks and used from time to time in connection with the operation of the Grain & Berry™ Restaurant. We will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless we notify the telephone company and/or the listing agencies with which you have placed telephone directory listings (collectively, the "Telephone Company") to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.
3. **Power of Attorney.** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone

Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification.** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect.** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control.** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "attorneys' fees" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment is held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum.** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in St. Petersburg, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

ASSIGNOR:

FRANCHISEE

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNEE:

GRAIN & BERRY CAFE, LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT E TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER STATEMENT

This form must be completed by the Franchisee ("I," "me," or "my") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Franchise Agreement to me.

Form of Franchisee. I am a (check one):

- | | | |
|----|---------------------------|--------------------------|
| 1. | General Partnership | ☐ |
| 2. | Corporation | ☐ |
| 3. | Limited Partnership | ☐ |
| 4. | Limited Liability Company | ☐ |
| 5. | Other | ☐ |

Specify

Business Entity. I was incorporated or formed on _____, under the laws of the State of _____. I have not conducted business under any name other than my corporate, limited liability company or partnership name and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions are listed below:

Name of Person	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

Owners. The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name	Address	Description of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of your entity (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____.

INDIVIDUALS:

Signature _____

Name: _____

Signature _____

Name: _____

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

Name: _____

By: _____

Title: _____

EXHIBIT F TO THE DISCLOSURE DOCUMENT

FORM OF

PRINCIPAL OWNERS GUARANTY

PRINCIPAL OWNER GUARANTY

This Owner Guaranty (this "**Guaranty**") must be signed by the principal owners (referred to as "**you**" for purposes of this Guaranty only) of _____ (the "**Business Entity**") under the _____ Agreement effective as of _____ (the "**Agreement**") between the Business Entity and GRAIN & BERRY CAFE, LLC ("**us**," "**our**" or "**we**").

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that your Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and we may enforce our rights regarding it in the courts of St. Petersburg, Florida. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTORS

Name: _____

Name: _____

Name: _____

Name: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**FORMS OF
GENERAL RELEASE
(SUCCESSOR FRANCHISE, ASSIGNMENT AND TRANSFER)**

RELEASE AND AGREEMENT NOT TO SUE – RENEWAL

THIS RELEASE AND AGREEMENT NOT TO SUE ("Release") is given by _____ and all of its predecessors, parent company, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their employees, owners, officers, directors, heirs, beneficiaries, executors and administrators (individually and collectively, "Releasor") to GRAIN & BERRY CAFE, LLC, and their predecessors, agents, affiliates, subsidiaries, parents, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (individually and collectively, "Released Parties").

Releasor is a party to that certain _____ Agreement dated effective _____ (the "Prior Agreement"). Releasor seeks to enter into a successor _____ Agreement (the "Successor Agreement") pursuant to the terms for closing under the Prior Agreement. The Prior Agreement requires Releasor to provide this release to Released Parties as a condition to entering into the Successor Agreement. For good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Releasor hereby agrees as follows:

1. Effective on the date of this Release, and subject to the exceptions set forth in Paragraph 5 below, Releasor forever releases and discharges Released Parties from and agrees not to file or prosecute any litigation or arbitration for any and all claims, causes of action, suits, debts, agreements, promises, damages, losses, liens, demands, controversies, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, known or unknown, suspected or unsuspected, fixed or contingent, past or present, which Releasor now has, holds, claims to have claims to own, or claims to hold, or ever had claimed to have, claimed to hold or claimed to own, against Released Parties, including without limitation, anything arising out of that certain relationship under which Releasor was sold training, products or services to enable Releasor to operate or begin a business of operating a _____ [insert either Franchise, Area Development] business, the business relationship between Released Parties and Releasor and any other relationships between Releasor and Released Parties; except Released Parties' obligations under the Successor Agreement dated effective _____ to which this release is an Exhibit. Subject to the foregoing, this Release is intended by the parties to be unqualifiedly general in scope and effect and effective for: (a) any and all claims and obligations, including those of which Releasor is not now aware; and (b) all claims Releasor has from anything which has happened up to now. You agree that we have the right to injunctive relief for, and you agree to entry of injunction dismissing any claims or counterclaims you may bring in contradiction to or breach of this release and covenant not to sue.

Each party acknowledges that there is a risk that, subsequent to the execution of this Release, it will discover, incur or suffer claims which are unknown or unanticipated at the time this Release is executed, including without limitation, unknown or unanticipated claims which arose from, are based upon, or are related to the Franchise Agreement or any other agreement with Released Parties or some part or aspect thereof, which if known by it on the date this Release is being executed may have materially affected its decision to execute this Release. Each party acknowledges and agrees that it is assuming the risk of such unknown and unanticipated claims and agrees that its release contained in this Release applies thereto.

By affixing their signatures to this Release, the parties acknowledge that they have carefully read and fully understand the provisions of this Release and that their release of such claims is knowing and voluntary. The parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to executing this Release, and that they have executed this Release voluntarily. Each party represents that it does not rely and has not relied upon any representation or statement made by any of the Released Parties, or any of their representatives with regard to the subject matter, basis or effect of this Release.

2. **Covenant Not to Sue.** The parties covenant and agree for themselves and for their assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively, the "Covenantors") not to bring or allow to be brought on behalf of any Covenantor, any action,

cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for the actual or punitive damages or other relief, against one another arising out of, resulting from, or in any manner related to the matters released under this Release. The Released Parties acknowledge that this Release shall be a complete defense to any claim released under this Release and hereby consent to the entry of a temporary or permanent injunction to end the assertion of any such claim.

3. Releasor is bound by this Release. Releasor freely and voluntarily gives this Release to Released Parties for good and valuable consideration and Releasor and Released parties acknowledge its receipt and sufficiency. Releasor is giving up its right to sue and promises not to litigate certain claims under this Agreement. The parties are executing this Release after independent investigation and without fraud, duress, or undue influence

4. For the purpose of implementing a full and complete release and discharge of all known and unknown claims, Releasor expressly acknowledges that this Release is intended to include and does include in its effect, without limitations, any and all rights which Releasor does not know or suspect to exist in Releasor's favor, as of the date of execution of this Release and that this Release expressly provides for the extinguishment of all such claims, including but not limited to, any and all rights or claims under any applicable federal, state or local statute, regulation or common law.

5. Releasor expressly acknowledges that if Releasor is located in California or is a resident of California, it has been fully advised by its attorney of the contents of Section 1542 of the Civil Code of California, and that that section and the benefits thereof are hereby expressly waived. Section 1542 reads as follows:

Section 1542. (General Release--Claims Extinguished.) A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of Claims, the Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitations, all Claims which the Parties do not know or suspect to exist in their favor at the time of execution hereof, and that the settlement agreed upon contemplates the extinguishment of any and all such Claims.

6. Releasor represents and warrants to Released Parties that Releasor has not assigned or transferred to any other person any claim or right Releasor had or now has relating to or against the Released Parties.

7. Releasor acknowledges and agrees that if Releasor violates this Release, Releasor will cause the Released Parties immediate economic harm in the form of the Released Parties' time, economic disruption and attorneys' fees in responding to any such lawsuit or claim released hereunder. Accordingly, should Releasor file suit or counterclaim (in litigation or arbitration) or threaten any of the same, Releasor will immediately, upon demand from Released Parties, pay to Released Parties \$25,000 as partial, but not full accord and satisfaction of such expenses incurred or likely to be incurred by them in evaluating and responding to such claims or threatened claims. Such liquidated damages will not preclude or be in lieu of any other actual or consequential damages, or attorneys' fees bore by Releasor hereunder or as a breach hereof.

8. In this Release, each pronoun includes the singular and plural as the context may require.

9. This Release is governed by Florida law or ☐ _____ law (if box checked).

This Release is effective _____, notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned Releasor executes this Release:

By: _____
Name: _____
Title: _____
Date: _____

RELEASE AND AGREEMENT NOT TO SUE – ASSIGNMENT

THIS RELEASE AND AGREEMENT NOT TO SUE ("Release") is given by _____ and all of its predecessors, parent company, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their employees, owners, officers, directors, heirs, beneficiaries, executors and administrators (individually and collectively, "Releasor") to GRAIN & BERRY CAFE, LLC, and their predecessors, agents, affiliates, subsidiaries, parents, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (individually and collectively, "Released Parties").

Releasor is a party to that certain _____ Agreement dated effective _____ (the "Prior Agreement"). Releasor seeks to, pursuant to the terms of the Prior Agreement; transfer its rights under the Prior Agreement to _____ ("Transferee"). As a result of such transaction (the "Transfer"), Releasor and Transferee will engage in a transaction that constitutes a "transfer" under the terms of the Prior Agreement. The Prior Agreement requires Franchisee to provide this release to Released Parties as a condition to entering into the Transfer. For good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Releasor hereby agrees as follows:

1. Effective on the date of this Release, and subject to the exceptions set forth in Paragraph 5 below, Releasor forever releases and discharges Released Parties from and agrees not to file or prosecute any litigation or arbitration for any and all claims, causes of action, suits, debts, agreements, promises, damages, losses, liens, demands, controversies, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, known or unknown, suspected or unsuspected, fixed or contingent, past or present, which Releasor now has, holds, claims to have claims to own, or claims to hold or ever had, claimed to have, claimed to hold or claimed to own, against Released Parties, including without limitation, anything arising out of that certain Prior Agreement, the relationship under which Releasor was sold training, products or services to enable it to operate or begin a business of operating a _____ [insert either Franchise, Area Development] business, the business relationship between Released Parties and Releasor and any other relationships between Releasor and Released Parties; except Released Parties' obligations under the to which this release is an Exhibit. This Release is intended by the parties' agreements effectuating the Transfer. Subject to the foregoing, this release is intended by the parties to be unqualifiedly general in scope and effect and effective for: (a) any and all claims and obligations, including those of which Releasor is not now aware; and (b) all claims Releasor has from anything which has happened up to now. You agree that we have the right to injunctive relief for, and you agree to entry of injunction dismissing any claims or counterclaims you may bring in contradiction to or breach of this release and covenant not to sue.

Each party acknowledges that there is a risk that, subsequent to the execution of this Release, it will discover, incur or suffer claims which are unknown or unanticipated at the time this Release is executed, including without limitation, unknown or unanticipated claims which arose from, are based upon, or are related to the Franchise Agreement or any other agreement with Released Parties or some part or aspect thereof, which if known by it on the date this Release is being executed may have materially affected its decision to execute this Release. Each party acknowledges and agrees that it is assuming the risk of such unknown and unanticipated claims and agrees that its release contained in this Release applies thereto.

By affixing their signatures to this Release, the parties acknowledge that they have carefully read and fully understand the provisions of this Release and that their release of such claims is knowing and voluntary. The parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to executing this Release, and that they have executed this Release voluntarily. Each party represents that it does not rely and has not relied upon any representation or statement made by any of the Released Parties, or any of their representatives with regard to the subject matter, basis or effect of this Release.

2. **Covenant Not to Sue.** The parties covenant and agree for themselves and for their assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them

(collectively, the "Covenantors") not to bring or allow to be brought on behalf of any Covenantor, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for the actual or punitive damages or other relief, against one another arising out of, resulting from, or in any manner related to the matters released under this Release. The Released Parties acknowledge that this Release shall be a complete defense to any claim released under this Release and hereby consent to the entry of a temporary or permanent injunction to end the assertion of any such claim.

3. Releasor is bound by this Release. Releasor freely and voluntarily gives this Release to Released Parties for good and valuable consideration and Releasor and Released parties acknowledge its receipt and sufficiency. Releasor is giving up its right to sue and promises not to litigate certain claims under this Agreement. The parties are executing this License after independent investigation and without fraud, duress, or undue influence.

4. For the purpose of implementing a full and complete release and discharge of all such known and unknown claims, Releasor expressly acknowledges that this Release is intended to include and does include in its effect, without limitations, any and all rights and claims except Released Parties', which Franchisee does not know or suspect to exist in Releasor's favor, as of the date of execution of this Release and that this Release expressly provides for the extinguishment of all such claims, including but not limited to, any and all rights or claims under any applicable federal, state or local statute, regulation or common law.

5. Releasor expressly acknowledges that if Releasor is located in California or is a resident of California, it has been fully advised by its attorney of the contents of Section 1542 of the Civil Code of California, and that that section and the benefits thereof are hereby expressly waived. Section 1542 reads as follows:

Section 1542. (General Release--Claims Extinguished.) A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of Claims, the Parties expressly acknowledge that this Agreement is intended to include in its effect, without limitations, all Claims which the Parties do not know or suspect to exist in their favor at the time of execution hereof, and that the settlement agreed upon contemplates the extinguishment of any and all such Claims.

6. Releasor represents and warrants to Released Parties that Releasor has not assigned or transferred to any other person any claim or right Releasor had or now has relating to or against the Released Parties.

7. Releasor acknowledges and agrees that if Releasor violates this Release, Releasor will cause the Released Parties immediate economic harm in the form of the Released Parties' time, economic disruption and attorneys' fees in responding to any such lawsuit or claim released hereunder. Accordingly, should Releasor file suit or counterclaim (in litigation or arbitration) or threaten any of the same, Releasor will immediately, upon demand from Released Parties, pay to Released Parties \$25,000 as partial, but not full accord and satisfaction of such expenses incurred or likely to be incurred by them in evaluating and responding to such claims or threatened claims. Such liquidated damages will not preclude or be in lieu of any other actual or consequential damages, or attorneys' fees bore by Releasor hereunder or as a breach hereof.

8. In this Release, each pronoun includes the singular and plural as the context may require.

9. This Release is governed by Florida law or ☐ _____ law (if box checked).

This Release is effective _____ notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned Releasor executes this Release:

By: _____
Name: _____
Title: _____

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**FORM OF
ELECTRONIC FUNDS TRANSFER AGREEMENT**

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**

GRAIN & BERRY CAFE, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account)

Business Location: _____

Business #: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

**FORM OF
CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION
AGREEMENT**

**CONFIDENTIALITY, NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

THIS CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT (this "Agreement") is effective as of _____, between _____ ("we," "us," "our" or "Franchisee") and _____ ("you" or "your"), an employee or independent contractor of ours.

BACKGROUND INFORMATION:

We have entered into a Franchise Agreement (the "Franchise Agreement") with GRAIN & BERRY CAFE, LLC, a Florida limited liability company (the "Franchisor") to operate a Grain & Berry™ Restaurant at _____ (the "Site"). The Grain & Berry™ Restaurant specializes in providing Grain & Berry™ Restaurants and programs formulated for services and is operated pursuant to formats, specifications, standards methods and procedures prescribed or approved by the Franchisor (the "System"). We possess or have access to certain confidential information relating to the System; including the operations manuals; other proprietary materials; workout and training programs, the sales and marketing techniques used, knowledge of and experience in developing and operating a Grain & Berry™ Restaurant; customer information; knowledge of specifications for and suppliers of certain goods, products, services, and supplies used by or related to the System, certain of which the Franchisor licenses to us or which are developed by us under the Franchise Agreement but are owned by the Franchisor (the "Confidential Information").

You understand that the System and Confidential Information are the Franchisor's proprietary, trade secrets and are confidential. You acknowledge that we and the Franchisor have provided you with specialized and extensive training regarding the Grain & Berry™ Restaurant and that we have developed extensive customer goodwill. We have an obligation under our Franchise Agreement to maintain the Confidential Information as secret and confidential. You represent to us and the Franchisor that you have other skills that you can utilize if, for any reason, your relationship with us ends.

OPERATIVE TERMS:

Accordingly, you and we agree as follows:

1. **Confidentiality.** You will (a) not use the Confidential Information in any other business or capacity; (b) maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement and your employment by, or association with, us; (c) not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (d) comply with all procedures we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

2. **Competitive Restrictions.** During the time that you are associated with us, as an employee or independent contractor and for 2 years afterwards, unless we and the Franchisor otherwise permit in writing and except on our behalf, you will not:

(a) have any direct or indirect interest (e.g., through a spouse or child) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any business or facility owning, operating, managing, or granting franchises or licenses to others to do so, or in any business (other than a Grain & Berry™ Restaurant operated under a franchise agreement with Franchisor) (a "Competitive Business") operating:

(i) at the Site;

(ii) within 25 miles of the Site; or

(iii) within 25 miles of any other Grain & Berry™ Restaurant in operation or under construction on the later of the effective date of the termination or expiration of your employment or the date on which you comply with such restrictions (see Section 5 below).

(b) recruit or hire any employee of ours, of the Franchisor, of our or its affiliates, or of any of the Franchisor's franchisees or licensees; and

(c) on behalf of yourself or any other person, or in any capacity associated with any other person or entity, solicit, divert, take away, or interfere with any of the business, customers, vendors, suppliers, franchisees or contractors of ours or the Franchisor, our or its affiliates, or any of its franchisees as may exist during the term of this Agreement or thereafter.

3. **Severability and Substitution.** You acknowledge and agree that these competitive restrictions will not unreasonably deprive you of your ability to earn a living or engage other business activities. You and we agree that: (a) the time period, geographic area, and scope of the competitive restrictions contained in this Agreement are reasonably necessary to protect our localized efforts and the Franchisor's efforts to develop Grain & Berry™ Restaurants throughout the U.S.; and (b) to the extent that any portion of this Agreement is deemed unenforceable by virtue of its scope, area, activity, or duration, but may be made enforceable by modifying any or all thereof, this Agreement will be enforced to the fullest extent permissible under the laws or public policies of the jurisdiction in which enforcement is sought, and such modified provision will be enforced to the fullest extent.

4. **Extension of Time Period.** The time period during which you are to refrain from any of the activities listed in this Agreement will be automatically extended by any length of time during which you or any of your affiliates, successors or assigns are in breach of any provision of this Agreement. This Agreement will continue through the duration of the extended time periods.

5. **Suspension of Compensation.** We will not be required to pay any other compensation to you during any period of time in which you are in breach of this Agreement. Upon such breach, you forfeit payment of such amounts without limitation on any other remedies available to us for redress.

6. **No Defense or Setoff.** You must not assert, by way of defense or setoff, any alleged breach or damage caused by you if we must enforce this Agreement against you.

7. **Injunctive Relief.** You and we agree that the breach of this Agreement will result in irreparable harm to us and the Franchisor, and that no monetary award can fully compensate us or the Franchisor if you violate it. Thus, if you breach this Agreement, you agree that we will be entitled to an injunction restraining you from any further breach. Such injunctive relief may be obtained without bond, if determined permissible by a court of competent jurisdiction, but upon due notice, in addition to such other and further remedies or relief as may be available to us or the Franchisor at equity or law.

8. **Relationship.** This Agreement governs only certain aspects of your relationship with us. The terms and conditions of your employment or provision of services for us remain the same as they have been prior to the date of this Agreement, or as established afterwards. By entering into this Agreement, neither you nor we are committing to employ or engage the other, or to work for the other for any period of time or under any new or different terms and conditions. If you are an employee, this Agreement does not change your status as "at will."

9. **Miscellaneous.**

(a) **Complete Agreement:** This Agreement contains the complete agreement between

the parties concerning this subject matter. This Agreement supersedes any prior or contemporaneous agreement, representation or understanding, oral or written, between them. The continued relationship between the parties described in this Agreement constitutes full and sufficient consideration for the binding commitment of the parties to this Agreement.

(b) **Waiver and Amendment:** A waiver or amendment of this Agreement, or any provision of it, will be valid and effective only if it is in writing and signed by all parties or the party waiving such provision. No waiver of any term of this Agreement will operate as a waiver of any other term of this Agreement or of that same term at any other time.

(c) **Rights Cumulative:** No right or remedy available to any party is exclusive of any other remedy. Each and every remedy will be cumulative to any other remedy given under this Agreement, or otherwise legally existing upon the occurrence of a breach of this Agreement.

10. **Certain Definitions:** As used throughout this Agreement, the following terms have the following meanings:

(a) The term “**Competitive Business**” means any business or facility owning, operating or managing or granting franchises or licenses to others to do so, any store or facility that features Grain & Berry™ Restaurants, offering Acai bowls, Pitaya bowls, Spirulina bowls, Kale bowls, smoothies, fresh juices, cold-pressed juice bottles, toast with toppings, coffee products, and other pre-packaged food and drink products or any other products or services or related products and accessories that are the same or similar to the Products and Services offered by Grain & Berry™ Restaurants (other than a Grain & Berry™ Restaurant under a franchise agreement with us). A Competitive Business also includes any business acting as an Area Representative, franchise broker, business broker, franchise seller, Area Representative or the like for any business franchising or licensing Competitive Businesses other than us.

(b) The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other entity or enterprise or any natural person.

(c) The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other entities that are beneficially owned by such person or its affiliates.

(d) The term “**attorney’s fees**” means any and all charges levied by an attorney for his services, including time charges, expenses and other reasonable fees including paralegal fees and legal assistant fees, and includes fees earned in settlement, at trial, on appeal or in bankruptcy proceedings.

11. **Attorneys’ Fees.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Agreement, the prevailing party will be entitled to full reimbursement of its litigation or arbitration expenses from the other party. Litigation or arbitration expenses include attorneys’ fees, costs, arbitration fees, expert witness fees and other related expenses including paralegal fees, travel and lodging expenses and court and arbitration filing costs. Reimbursement is due within 30 days of written notice after determination.

12. **Governing Law.** This Agreement is governed by the law of the state where the Grain & Berry™ Restaurant is located.

13. **Third Party Beneficiary.** The parties understand and acknowledge that the Franchisor is a third-party beneficiary of the terms of this Agreement and, at its option, may enforce the provisions of

this Agreement against you. Your obligations under this Agreement will continue for the benefit of our and the Franchisor's successors and assigns.

14. **Survival.** The provisions of this Agreement survive any termination of the Franchise Agreement or the relationship between you and us.

15. **Background Information.** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information.

Intending to be bound, the parties sign below:

THE "FRANCHISEE":

"YOU":

By: _____

Name: _____

Its: _____

Date: _____

Name: _____

Date: _____

**EXHIBIT A
TO CONFIDENTIALITY, NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

If you are located in the state of Georgia, Section 2(a)(iii) of the Confidentiality, Non-Solicitation and Non-Competition Agreement will not apply to you:

THE "FRANCHISEE":

"YOU":

By: _____

Name: _____

Its: _____

Date: _____

Name: _____

Date: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATING MANUAL

Table of Contents

of
Pages

CHAPTER 1: INTRODUCTION	1
How to Use This Manual	1
Confidential Disclosure Agreements	4
CHAPTER 2: WELCOME TO GRAIN AND BERRY	1
History of Grain and Berry	2
The Grain and Berry Management Team	1
Legal Advisory and Franchisor's Management Support	2
Grain and Berry Mission Principles & Promises	2
CHAPTER 3: SUPPORT RESOURCES	1
Franchisee Support Matrix	2
Restaurant Franchise Corporate Officers	1
CHAPTER 4: PRE-OPENING TIMETABLE & OBLIGATIONS	1
CHAPTER 5: FRANCHISEE TRAINING REQUIREMENTS	1
Grain and Berry Orientation Training	3
Grain and Berry Qualified Certifications	1
Additional Training / Refresher Courses	1
Annual Grain and Berry National Sales Meeting	2
CHAPTER 6: STAFFING YOUR GRAIN AND BERRY FRANCHISE	2
Staffing Your Grain and Berry Franchise	1
Position Descriptions with Profiles	2
CHAPTER 7: OFFICE POLICIES	1
Quality Standards of Services	1
Handling Typical Complaints and Problems	1
Employee Appearance (Trade Dress) and Hygiene	1
Computer Usage	1
CHAPTER 8: RESTAURANT OPERATION AND MAINTENANCE	1
General Housekeeping	1
Opening Procedures	1
Closing Procedures	1
Cleaning Procedures	1
Miscellaneous Restaurant Franchise Duties and Responsibilities	1
Administration Major Activities Listing	2
Administrative Management Checklist	1
Alarms, Locks, and Keys	1
POS System	1
Safety	1
Restaurant Operations Checklists	1
CHAPTER 9: RESTAURANT EQUIPMENT, COMPUTER SYSTEM, INVENTORY, & SUPPLIES	1
Office Equipment	4
Equipment "Starter Package"	1
CHAPTER 10: ADMINISTRATION	1
Record Keeping	3
Accounting Services	2

Prime Cost.....	1
Manage Critical Numbers.....	1
Collections and Accounts Receivable Management.....	1
CHAPTER 11: REPORTS, AUDITS & INSPECTIONS	1
Franchisee Reports.....	1
Records and Reports	1
Failure to Report.....	1
Audits and Inspections	1
Contact with Others.....	4
CHAPTER 12: MARKETING	5
Target Marketing with Selected Media	10
CHAPTER 13: SALES & PRICING	1
Intro	1
Phone Selling.....	3
Referrals.....	2
Pricing Policies And Fee Structures	1
CHAPTER 14: INSURANCE REQUIREMENTS & RISK MANAGEMENT	1
General Insurance Coverage	2
Risk Management	1
Managing Risk at the Restaurant Franchise Location or Job Site	1
Restaurant Franchisee Site Security	1
Reporting Incidents	1
CHAPTER 15: CORPORATE STRUCTURE AND FINANCING	1
Setting Up Your Entity	1
Legal Business Structures.....	1
Types of Structures	3
Setting Up the New Corporation.....	2
Financing Arrangements	1
Financing Alternatives	2
CHAPTER 16: TRADEMARKS AND TRADE SECRETS - PROTECTION POLICIES	1
Patents, Copyrights and Proprietary Information	1
Trademark Usage and Guidelines.....	1
Examples of Trademark Misuse.....	2
CHAPTER 17: RESALE, TRANSFER, RENEWAL AND CLOSING	1
Conditions of Renewal	1
Continuation	1
Assignment or Transfer	2
Termination	3
CHAPTER 18: EXPANSION AND RELOCATION REQUIREMENTS	1
Restaurant Franchise Expansion, New Territory, Resale Purchase or Territory Expansion.....	2

Total # of Pages 112

EXHIBIT K TO THE DISCLOSURE DOCUMENT

LIST OF GRAIN & BERRY™ RESTAURANT FRANCHISEES

**LIST OF GRAIN & BERRY™ RESTAURANT FRANCHISEES
AS OF DECEMBER 31, 2018**

FLORIDA	
Maggie and Jamie Keefer 11622 Countryway Blvd. Tampa, FL 33626 (813) 818-2929	Southernmost Acai, LLC 2722 N. Roosevelt Blvd. Key West, FL 33040 (586) 337-2682

**FRANCHISEES THAT HAVE SIGNED FRANCHISE AGREEMENTS
BUT ARE NOT YET OPEN AS OF DECEMBER 31, 2018**

FLORIDA	
Dr. Scott Upright New Tampa Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232	Dr. Scott Upright Land O Lakes Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232
Dr. Scott Upright Wesley Chapel Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232	Dr. Scott Upright Gainesville Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232
Jamie and Maggie Keefer Trinity Location 2986 Long Bow Way Odessa, FL 33556 (813) 546-7913	Dr. Roger Hector and Timothy Adams Downtown Tampa Location 4014 W. Empedrado St. Tampa, FL 33629 (813) 281-1011
Allen Gabriel Turner and Roberta Lyn Collier Maitland Location 14701 Evans Ranch Rd. Lakeland, FL 33809 (417) 251-1891	Dr. Scott Upright Carrollwood Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232
Chris and Brandy McAdams Brandon Location 12818 Dupont Circle, #B5A Tampa, FL 33626 (813) 690-1390	Dr. Roger Hector and Timothy Adams South Tampa Location 4014 W. Empedrado St. Tampa, FL 33629 (813) 281-1011

**LIST OF GRAIN & BERRY™ RESTAURANTS - COMPANY OWNED LOCATIONS
AS OF DECEMBER 31, 2018**

Each of the below are affiliate/company owned locations.

FLORIDA	
Acai Group, LLC 33840 US Hwy 19 N. Palm Harbor, FL 34684 (727) 771-7794	Acai Group, LLC 2784 E. Fowler Avenue Tampa, FL 33612 (813) 631-0676

**LIST OF GRAIN & BERRY™ RESTAURANT FRANCHISEES
AS OF AUGUST 21, 2019**

FLORIDA	
Maggie and Jamie Keefer 11622 Countryway Blvd. Tampa, FL 33626 (813) 818-2929	Southernmost Acai, LLC 2722 N. Roosevelt Blvd. Key West, FL 33040 (586) 337-2682

**FRANCHISEES THAT HAVE SIGNED FRANCHISE AGREEMENTS
BUT ARE NOT YET OPEN AS OF AUGUST 21, 2019**

FLORIDA	
Maggie and Jamie Keefer 2986 Long Bow Way Odessa, FL 33556 (727) 207-3474	Southernmost Acai, LLC 2722 N. Roosevelt Blvd. Key West, FL 33040 (586) 337-2682
Dr. Scott Upright Land O Lakes Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232	Dr. Scott Upright Wesley Chapel Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232
Dr. Scott Upright Gainesville Location 3181 Barbour Trail Odessa, FL 33556 (989) 737-8232	Jamie and Maggie Keefer Trinity Location 2986 Long Bow Way Odessa, FL 33556 (813) 546-7913
Dr. Roger Hector and Timothy Adams Downtown Tampa Location 4014 W. Empedrado St. Tampa, FL 33629 (813) 281-1011	Allen Gabriel Turner and Roberta Lyn Collier Maitland Location 14701 Evans Ranch Rd. Lakeland, FL 33809 (417) 251-1891
Davis and Amy Suggs Ocoee Location 12627 Langstaff Drive Windermere, FL 34786 (407) 235-4383	Davis and Amy Suggs Hamlin, FL Location 12627 Langstaff Drive Windermere, FL 34786 (407) 235-4383
Tolga Ergul Riverview Location 1395 Brickell Ave., #800 Miami, FL 33131 55 21 98467-0853	

EXHIBIT L TO THE DISCLOSURE DOCUMENT

LIST OF GRAIN & BERRY™ RESTAURANTS WHO HAVE LEFT THE SYSTEM

**LIST OF GRAIN & BERRY™ RESTAURANTS
FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2018**

If you buy this franchise, your contact information may be disclosed to other buyers while you are part of and when you leave the System.

EXHIBIT M TO THE DISCLOSURE DOCUMENT

**LIST OF
STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

Our registered agent in the State of Florida is:

ACAI GROUP, LLC
33840 US Highway 19 N.
Palm Harbor, Florida 34684

STATE	AGENCY	PROCESS, IF DIFFERENT
California	California Department of Business Oversight Los Angeles 320 West 4th Street Suite 750 Los Angeles, California 90013 Sacramento 1515 K Street, South Suite 200 Sacramento, California 95813-4052 San Diego 1350 Front Street San Diego, California 92101 San Francisco One Sansome Street, Suite 600 San Francisco, California 94104	
Hawaii	Business Registration Division Securities Compliance Branch Department of Commerce and Consumer Affairs P.O. Box 40 Honolulu, Hawaii 96810	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706	
Indiana	Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 W. Washington Street Indianapolis, Indiana 46204	Administrative Office of the Secretary of State 201 State House Indianapolis, Indiana 46204
Maryland	Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021
Florida	Consumer Protection Division Antitrust and Franchise Unit Florida Department of Attorney General 670 G. Mennen Williams Building 525 West. Ottawa Lansing, Florida 48933	
Minnesota	Minnesota Department of Commerce Commissioner of Commerce 85 7th Place, Suite 280 St. Paul, Minnesota 55101-3165	

STATE	AGENCY	PROCESS, IF DIFFERENT
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, New York 10005	New York Department of State One Commercial Plaza 99 Washington Avenue, 6 th Floor Albany, New York 12231
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, North Dakota 58505	
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310	
Rhode Island	Division of Securities 1511 Pontiac Avenue John O. Pastore Complex-Bldg. 69-1 Cranston, RI 02920	
South Dakota	South Dakota Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501	
Virginia	Ronald W. Thomas, Administrator State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219	Clerk State Corporation Commission 1300 East Main Street Richmond, Virginia 23219
Washington	Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501	
Wisconsin	Securities and Franchise Registration Division of Securities Fourth Floor 345 W. Washington Avenue Madison, Wisconsin 53703	

EXHIBIT N TO THE DISCLOSURE DOCUMENT

FRANCHISE COMPLIANCE CERTIFICATE

FORM OF FRANCHISE COMPLIANCE CERTIFICATION

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. I had my first face-to-face meeting with your representative on: _____.
2. Have you received and personally reviewed our Franchise Agreement and any attachments to it?
Yes _____ No _____
3. Do you understand all of the information contained in our Franchise Agreement (hereinafter, each the Franchise Agreement) and any attachments provided to you?
Yes _____ No _____

If no, what parts of the Franchise Agreement and any attachments do you not understand?

(Attach additional pages, if necessary.)

4. Have you received and personally reviewed our Franchise Disclosure Document ("Disclosure Document")?
Yes _____ No _____
5. Did you sign a receipt for the Disclosure Document indicating the date you received it?
Yes _____ No _____
6. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?
Yes _____ No _____

If so, what parts of the Disclosure Document and/or Addendum to you not understand? (Attach additional pages if necessary.)

7. Have you discussed the benefits and risks of purchasing a Grain & Berry™ Restaurant with an attorney, accountant or other professional advisor?
Yes _____ No _____

If not, do you wish to have more time to do so?

Yes _____ No _____

8. Do you understand that the success or failure of your Grain & Berry™ Restaurant will depend in large part upon your skills and abilities, competition from other Grain & Berry™ Restaurants and other economic and business factors?

Yes _____ No _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Grain & Berry™ Restaurant?

Yes _____ No _____

10. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Grain & Berry™ Restaurant?

Yes _____ No _____

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Grain & Berry™ Restaurant?

Yes _____ No _____

12. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

13. Have you paid any money to us concerning the purchase of your Grain & Berry™ Restaurant prior to today?

Yes _____ No _____

14. Do you understand the difference between a full-service Grain & Berry™ Restaurant which you are acquiring and the other facilities which we now have or may develop in the future, and understand that you do not have any rights in and to these facilities?

Yes _____ No _____

15. If you have answered "Yes" to any one of questions 9-13 or "No" to questions 14, please provide a full explanation of each "Yes" or "No" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.)

16. I signed the Franchise Agreement and Addendum (if any) on _____, _____, and acknowledge that no Agreement or Addendum is effective until signed and dated by us.

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Compliance Certification, you are representing that you have responded truthfully to the above questions.

FRANCHISEE APPLICANT:

Dated: _____

EXHIBIT O TO THE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GRAIN & BERRY CAFE, LLC offers you a franchise, it must provide this disclosure document to you fourteen days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Under Illinois, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, GRAIN & BERRY CAFE, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. New York Law requires the Franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

If GRAIN & BERRY CAFE, 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 in the state agency listed on Exhibit "M".

The individuals below act as our franchise sellers on this franchise sale:

Grain & Berry Cafe, LLC
33840 U.S. Hwy 19 N.
Palm Harbor, Florida 34684
Douglas Lang, Jack Kessler

GRAIN & BERRY CAFE, LLC authorizes the respective state agencies identified on Exhibit "N" to receive service of process for it in the particular state.

Issuance Date: _____, 2019

I received a disclosure document dated _____, 2019, that included the following Exhibits:

Exhibit A State-Specific Addenda and Exhibits	Exhibit I Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit B Financial Statements	Exhibit J Table of Contents of Operating Manual
Exhibit C Form of Franchise Agreement	Exhibit K List of Grain & Berry™ Restaurant Franchisees
Exhibit D Form of Conditional Assignment of Telephone Numbers and Listings	Exhibit L List of Grain & Berry™ Restaurant Franchisees Who Have Left the System
Exhibit E Form of Owner's Statement	Exhibit M List of State Agencies/Agents for Service of Process
Exhibit F Form of Owner's Guaranty	Exhibit N Franchise Compliance Certification
Exhibit G Form of General Release (Successor Franchise, Assignment/Transfer)	Exhibit O Receipts
Exhibit H Form of Electronic Funds Transfer Agreement	

PROSPECTIVE FRANCHISEE:

If a Business Entity:

If an Individual:

NAME OF ENTITY
By (Signature): _____
Name Printed: _____
Date FDD Received: _____

Signature: _____
Name Printed: _____
Date FDD Received: _____

KEEP THIS COPY FOR YOUR RECORDS.

This disclosure document is also available in pdf format and can be requested on our website: www.grainandberry.com

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If GRAIN & BERRY CAFE, LLC offers you a franchise, it must provide this disclosure document to you fourteen days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Under Illinois, Maine, Nebraska, New York, Oklahoma, Rhode Island or South Dakota law, if applicable, GRAIN & BERRY CAFE, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. New York Law requires the Franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

If GRAIN & BERRY CAFE, 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 in the state agency listed on Exhibit "M".

The individuals below act as our franchise sellers on this franchise sale:

Grain & Berry Cafe, LLC
33840 U.S. Hwy 19 N.
Palm Harbor, Florida 34684
Douglas Lang, Jack Kessler

GRAIN & BERRY CAFE, LLC authorizes the respective state agencies identified on Exhibit "____" to receive service of process for it in the particular state.

Issuance Date: _____, 2019

I received a disclosure document dated _____, 2019, that included the following Exhibits:

Exhibit A State Specific Addenda and Exhibits	Exhibit I Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit B Financial Statements	Exhibit J Table of Contents of Operating Manual
Exhibit C Form of Franchise Agreement	Exhibit K List of Grain & Berry™ Restaurant Franchisees
Exhibit D Form of Conditional Assignment of Telephone Numbers and Listings	Exhibit L List of Grain & Berry™ Restaurant Franchisees Who Have Left the System
Exhibit E Form of Owner's Statement	Exhibit M List of State Agencies/Agents for Service of Process
Exhibit F Form of Owner's Guaranty	Exhibit N Franchise Compliance Certification
Exhibit G Form of General Release (Successor Franchise, Assignment/Transfer)	Exhibit O Receipts
Exhibit H Form of Electronic Funds Transfer Agreement	

PROSPECTIVE FRANCHISEE:

If a Business Entity:

NAME OF ENTITY
By (Signature): _____
Name Printed: _____
Date FDD Received: _____

If an Individual:

Signature: _____
Name Printed: _____
Date FDD Received: _____

PLEASE SIGN, DATE AND RETURN THIS PAGE

This disclosure document is also available in pdf format and can be requested on our website: www.grainandberry.com