

## FRANCHISE DISCLOSURE DOCUMENT

### SJB BRANDS, LLC

A Delaware Limited Liability Company  
17915 Sky Park Circle, Suite J  
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We offer franchise opportunities to own and operate one or more authentic juice bars serving fresh-squeezed juices, cold-pressed bottled juices, smoothies, acai and pitaya bowls, and other snacks to an increasingly health-conscious world.

We offer 2 franchise programs:

A single juice bar. The estimated initial investment to begin operation of a **JUICE IT UP®** Unit is between approximately \$227,400 and \$399,185 as described at Item 7. These amounts include an initial franchise fee of between \$10,000 to \$25,000 per Unit which must be paid to SJB Brands, LLC. These sums do not represent your total investment in the **JUICE IT UP®** juice bar franchise.

1. Multi-Unit development of a minimum of 3 Units, within a defined area pursuant to an Area Development Agreement. The initial franchise fee is \$25,000 for the first full-sized Traditional Unit, \$20,000 for the 2nd full-sized Unit and \$15,000 for the 3rd and all subsequent full-sized Units opened under an Area Development Agreement. There is a non-refundable initial area development fee equal to ½ of the total initial franchise fees for the total number of Units you purchase. We will credit this area development fee toward the initial franchise fee due under each Franchise Agreement at a maximum rate of ½ of the initial franchise fee owed for each Unit until the entire area development fee has been credited. The balance remaining on the initial franchise fee for each Unit is paid when you sign each Franchise Agreement. The initial investment range to begin operation under an Area Development Agreement is estimated at approximately \$242,600 to \$429,185, which includes the establishment of the 1st of 3 Units only, not all costs for establishment of all 3 Units as this is an "initial investment" figure not a full build-out figure. Your estimated initial investment to establish and begin operation of more than 3 Units can be calculated using the figures provided in Item 7.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Chris Braun at 17915 Sky Park Circle, Suite J, Irvine, California 92614 or call (949) 475-0146, ext. 202.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like an attorney or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: February 16, 2018

## 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 administrators listed in Exhibit A-1 for information about the franchisor, about other franchisors, 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. UNDER THE FRANCHISE AGREEMENT YOU MUST RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN ORANGE COUNTY, CALIFORNIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY AND MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL.
3. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE LAWS.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more franchise brokers or lead-generation or referral sources to assist us in selling our franchise. We pay such sources a fee for referring you to us and they represent us, not you. You should be sure to do your own investigation of the franchise.

Issuance Date: February 16, 2018

**STATE EFFECTIVE DATES**

| <b><u>REGISTRATION OF DISCLOSURE DOCUMENT</u></b> |                              |
|---------------------------------------------------|------------------------------|
| <b><u>STATE</u></b>                               | <b><u>EFFECTIVE DATE</u></b> |
| California                                        |                              |



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**JUICE IT UP®**  
**FRANCHISE DISCLOSURE DOCUMENT**  
**ITEM 1**

**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

The purpose of this disclosure document is to familiarize you with important legal and business aspects of our franchise company, SJB Brands, LLC, and the franchise programs we offer. To simplify the language, we refer to SJB Brands, LLC, as "we," "us," and "our," and the person or company to whom we grant a franchise as "you" and "your."

The words "you" and "your" do not include the owners of any franchisee business entity; these owners are described as "Related Parties." "Affiliate" means a company controlled by, controlling, or under common control with either you or us as the context may indicate. For purposes of this Item 1 only, "Affiliate" further means that the company to which it refers offers franchises in any line of business or provides products or services to our franchisees.

We organized in Delaware as SJB Brands, LLC, a limited liability company, on January 2, 2018. Our principal business office is located at 17915 Sky Park Circle, Suite J, Irvine, California 92614. The name and address of our agent for service of process in this state is stated in Exhibit A-1 to this disclosure document.

Our predecessor is LLJ Franchise, LLC ("LLJ"). LLJ's principal business address is 17915 Sky Park Circle, Suite J, Irvine, California 92614. LLJ offered franchises for **JUICE IT UP®** Units from May 2010 to February 6, 2018, the date when we acquired all of LLJ's assets under an Asset Purchase Agreement (the "Transaction"). LLJ never operated a **JUICE IT UP®** Unit and never offered franchises in any other line of business.

LLJ's predecessor was Balboa Brands, Inc. ("BBI"), having served as the franchisor of (but never having offered franchises for) **JUICE IT UP®** Units from December 2009 to March 2010, and BBI's predecessor was Juice It Up Franchise Corporation ("JFC"), having served as the franchisor of (and actually having offered franchises for) **JUICE IT UP®** Units from 1998 through 2009. JFC was dissolved in 2009. BBI's and JFC's principal business addresses are/were 17915 Sky Park Circle, Suite J, Irvine, California 92614. BBI (itself or through a predecessor) operated **JUICE IT UP®** Units from March 1995 to February 2018. Neither BBI nor JFC ever offered franchises in any other line of business.

When the Transaction closed, we became the wholly owned subsidiary of Juice It Up Holdings, LLC ("Juice It Up Holdings"). Juice It Up Holdings' principal business address is the same as ours.

Through common control with Juice It Up Holdings investors, Chris L. Britt and Edmond F. St. Geme, we are affiliated with Mountain Mike's Pizza, LLC ("MMP"), the franchisor of Mountain Mike's Pizza restaurants. Mountain Mike's Pizza restaurants feature pizza and other food products. MMP has been offering franchises for Mountain Mike's Pizza restaurants and for Mountain Mike's development agent businesses since April 2017. As of December 31, 2017, there were 187 franchised Mountain Mike's Pizza restaurants in operation in the United States and 6 franchised Mountain Mike's development agent businesses in the United States. MMP has never offered franchises in any other line of business. MMP's principal business address is 24 Corporate Plaza, Suite 100, Newport Beach, CA 92660.

Other than MMP, we do not have any Affiliates that either offer franchises in any line of business or provide products or services to our franchisees. None of our Affiliates have operated businesses similar to the **JUICE IT UP®** Unit you will operate under the Franchise Agreement.

We are offering franchises for **JUICE IT UP®** Units for the first time under this disclosure document. We have never operated a **JUICE IT UP®** Unit and have never offered franchises in any other line of business.

The Franchise Agreement grants the right to operate an authentic California juice bar featuring fresh-squeezed, raw fruit and vegetable juices, cold-pressed bottled juices, handcrafted real fruit and vegetable smoothies and smoothie bowls, superfruit bowls made with açai and pitaya, complimentary snacks such as baked pretzels, sandwiches, soups, oatmeal, hot and cold herbal fruit teas, dairy and non-dairy yogurt products, hot teas and coffee, as well as other approved beverages and snacks for the health-conscious consumer, including vegan, vegetarian, dairy-free and gluten-free options.

The fresh-squeezed, raw juices are made from fresh fruit and vegetables, including wheatgrass, kale, spinach, celery, cucumber, carrots, lemon, ginger and other micronutrient-rich fruits and vegetables. The cold-pressed bottled juices are made from locally sourced ingredients. The smoothies are made from fresh fruit, fresh frozen fruit (individually quick frozen ["IQF"]), non-fat hard-pack yogurt, sherbets, fresh squeezed, and/or exotic bottled juices. Branded vitamin powders and nutritional supplements can be added to our beverages and may also be sold in retail packages for home consumption.

You must sign a Franchise Agreement (Exhibit "C-2") to operate a **JUICE IT UP®** juice bar (the "Unit") at an Accepted Location.

Under the Area Development Agreement, we assign a defined area within which you must develop and operate a specified number of **JUICE IT UP®** Units within a specified period of time. You will execute our then-current version of Franchise Agreement for each Unit identified on your Development Schedule.

The general market for **JUICE IT UP®** products includes primarily health-conscious people between the ages of 20 and 45 with an annual household income of over \$60,000. The market also includes elementary, high school and college students. Although the smoothie has been around for over 50 years, its popularity began to grow rapidly in 1994. Fresh squeezed raw juices have become more mainstream making **JUICE IT UP®** products "lifestyle" products which consumers demand and frequently purchase. These products fit into their daily life and enhance who they are or their perception of themselves. These products integrate into their daily hobbies, activities, goals or vision for their self-identity. The business is seasonal, with higher sales during warmer times of year; however, healthy hot soups, oatmeal, hot snacks and hot drinks are also offered to help balance sales during colder months.

**JUICE IT UP®** Units are regulated by state and local health and agricultural agencies, as well as requirements applicable to all food service establishments.

You will compete with other juice bar and smoothie chains including other franchise systems. Additional competition will come from grocery chains that offer juice bars, traditional quick service restaurants, well-known fast-food chains and franchises offering pre-packaged smoothies or soft serve desserts as well as by smaller "mom & pop" food service concepts that offer a limited selection of smoothies, juices or frozen desserts.

## ITEM 2

### BUSINESS EXPERIENCE

#### **Chris Braun – Chief Executive Officer and President**

Mr. Braun has been our Chief Executive Officer and President, based in Newport Beach, California, since the Transaction closed in February 2018. Before joining us, Mr. Braun conducted market research

independently from March 2017 to February 2018 and served as President for Convaid Inc. from September 2008 to March 2017.

**Marcus Skinner – Vice President, Operations**

Mr. Skinner has been our Vice President, Operations, based in Irvine, California since the Transaction closed in February 2018. From December 2015 to February 2018 he was employed by BBI in Irvine, California, as the Director of Operations, from April 2015 to December 2015 the Senior Operations Manager, and the Franchise Development Manager from February 2013 to April 2015.

**Melissa Aills – Vice President of Procurement**

Melissa Aills has been our Vice President of Procurement, based in Irvine, California, since the Transaction closed in February 2018. From December 2009 to February 2018 she was employed by BBI in Irvine, California, as the Vice President of Procurement from November 2015 to February 2018 and the Director of Procurement from December 2011 to November 2015.

**Shauna Parisi – Director of Marketing**

Shauna Parisi has been our Director of Marketing, based in Irvine California, since the Transaction closed in February 2018. From April 2017 to February 2018, she was employed by BBI as its Director of Marketing in Irvine, California. From January 2016 to April 2017, she was in Brand Management/Development for ML Food Group in Philadelphia, Pennsylvania. From October 2011 to December 2015, she was Director of Marketing for Farrell's Ice Cream Parlour Restaurants in Lake Forrest, California.

**Lauren Gustin – Senior Operations Manager**

Lauren Gustin has been our Senior Operations Manager, based in Irvine, California, since the Transaction closed in February 2018. From May 2016 to February 2018, she was employed by BBI as its Senior Operations Manager in Irvine, California. From January 2015 to May 2016, she was employed as Director of Operations for Bear Flag Fish Group in Newport Beach, California. She was in Operations for Ways & Means Oyster House in Huntington Beach, California from August 2013 to November 2014. From January 2012 to May 2013, Ms. Gustin was in Operations for Bear Flag Fish Group in Newport Beach, California.

**Jon Wede – Director of Construction**

Jon Wede has been our Director of Construction, based in Irvine, California, since the Transaction closed in February 2018. From August 2016 to February 2018 he was employed by BBI as its Director of Construction in Irvine, California. From November 2015 to July 2016, he was Senior Project Manager for Reconstruction Experts in Carlsbad, California. From May 2012 through October 2015, he was Senior Project Manager for DM Construction in Santa Ana, California.

**Chris L. Britt – Co-Chairman and Chief Financial Officer**

Mr. Britt has been our Co-Chairman and Chief Financial Officer since the Transaction closed in February 2018. Mr. Britt has also been a Co-Chief Executive Officer and Director of MMP since April 2017, the Managing Member of Britt Private Capital, LLC since April 2017 and a Managing Partner of Marwit Capital, Marwit Investment Management, LLC and related entities since 1994. All positions are based in Newport Beach, California.

### **Edmond F. St. Geme – Co-Chairman and Treasurer**

Mr. St. Geme has been our Co-Chairman and Treasurer since the Transaction closed in February 2018. Mr. St. Geme has also been a Co-Chief Executive Officer and Director of MMP since April 2017, the Managing Member of Jupiter B-II LLC since December 2012 and the Managing Member of Jupiter Holdings LLC since October 1997. All positions are based in Newport Beach, California.

### **ITEM 3**

#### **LITIGATION**

##### **Pending Actions:**

None.

##### **Concluded Actions Involving Our Predecessor:**

LLJ Franchise LLC v. Prosauce Industries, Inc.; RFP Legacy, Inc.; Ron Prosser; and Febe Saucedo (Superior Court of California, County of Orange; Case Number: 30- 2011-00509525).

On September 20, 2011, our predecessor LLJ Franchise LLC filed a complaint against Ron Prosser, Febe Saucedo, RFP Legacy, Inc. and Prosauce Industries, Inc. ("Defendants") for breach of contract (specifically, the Franchise Agreement), fraud and intentional interference with contract. RFP Legacy, Inc. and Prosauce Industries, Inc. were former franchisees, in which Defendants Febe Saucedo and/or Ron Prosser are/were the owners and personal guarantors. Our predecessor's complaint sought unspecified damages according to proof including punitive damages, and requested recovery of attorney's fees. On March 19, 2012, Prosauce Industries, Inc. filed a complaint against our predecessor's Affiliate, BBI and its President, Frank Easterbrook (*Prosauce Industries, Inc. v. Balboa Brands, Inc. and Frank Easterbrook*, Superior Court of California, County of Orange; Case Number: 30-2012- 00554819). The complaint alleged fraudulent transfer of trademark assets from Juice It Up Franchise Corporation to BBI and sought damages in the amount of \$74,091.62 under the Fraudulent Transfer Act, California Civil Code 3439 *et seq.* The complaint also sought judicial remedies pursuant to California Civil Code 3939.07 *et seq.* with regard to the trademarks assigned from Juice It Up Franchise Corporation to Balboa Brands, Inc., as well as punitive damages and attorney's fees and costs. On November 5, 2012 a settlement was reached for both matters. The terms of the settlement included dismissal of claims with prejudice, mutual general releases and Defendants agreed to nondisclosure and noncompetition covenants. The court entered the dismissal of both matters.

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

### **ITEM 4**

#### **BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

## ITEM 5

### INITIAL FEES

#### **Initial Franchise Fee**

The initial franchise fee is due in a lump sum at the time you sign the Franchise Agreement for your **JUICE IT UP®** Unit. It is payable to us in cash or other immediately accessible funds, such as cashier's check or wire transfer. The initial franchise fee for the first full-sized, Traditional **JUICE IT UP®** Unit you purchase is \$25,000. If you are opening multiple Units under an Area Development Agreement, the initial franchise fee is \$20,000 for the 2nd Traditional Unit you purchase, due when you sign the Franchise Agreement, and \$15,000 for the 3rd and any such subsequent Units, also due when you sign the applicable Franchise Agreement for each such Unit. The initial franchise fee is non-refundable.

If you are purchasing a **JUICE IT UP®** Unit that is owned by us or an Affiliate of ours, then in addition to signing the Franchising Agreement and paying the initial franchise fee described above, you must sign an Asset Purchase Agreement with us or our Affiliate as well as an arrangement for transfer or assumption of a lease (Exhibit E and Attachment 3 to the Franchise Agreement); other negotiations may also be necessary depending on the circumstances.

These initial fees are currently uniform for all Juice It Up® franchises; however, we reserve the right to waive or adjust the initial franchise fee for additional Non-Traditional Units, Co-Branded Locations and Drive-Through Locations, in our Business Judgment. Franchise fees for Non-Traditional Units can range from \$2,500 to \$25,000, depending on the type of Non-Traditional Unit purchased, whether purchased in a single or multi-unit transaction, the location of the Unit and other factors. In 2017, initial franchise fees paid by franchisees to our predecessor, LLJ, ranged from \$10,000 to \$25,000. In 2017, LLJ sold 5 Non-Traditional franchises for an initial franchise fee of \$10,000 each.

#### **Incentive Program for Qualified Veterans**

We are a member of the International Franchise Association ("IFA") and participate in the IFA's VetFran Program, which provides special financial incentives to qualified Veterans. Through this program, the Small Business Association ("SBA") provides financing to qualified applicants. We offer a \$15,000 reduction off of the \$25,000 initial franchise fee for qualified Veterans of the U.S. Armed Forces related to each Traditional Juice It Up® Unit purchased. Other than the "VetFran Platinum Program" incentive described below, the VetFran program cannot be used in connection with any other discount programs, i.e., your initial franchisee fee in these cases will be no less than the discounted \$10,000 fee for each Franchise Agreement as described in this Section above. In order to qualify, you must, among other business requirements, have received an Honorable Discharge and at all times, must own the franchise and/or the franchise business entity. You must advise us of your Veteran status (and provide evidence of qualification) before signing your Franchise Agreement.

We offer our VETFRAN Platinum Program as an additional incentive to qualified Veterans, if all of the following conditions are met: (i) 2 Traditional Juice It Up! Units are concurrently purchased; and (ii) the \$10,000 franchise fee is paid for both; and (iii) Franchise Agreements are signed for both Units; and (iv) the second Unit is open within 12 months after the first Unit's opening.

If the above conditions are met, the second discounted franchise fee of \$10,000 will be fully refunded to the Veteran franchisee.

### **Area Development Fees**

When you sign the Area Development Agreement, you will pay us a lump sum in cash or other immediately accessible funds, an area development fee equal to 1/2 of the total initial franchise fees for the total number of Units (minimum of 3) on the Development Schedule. The initial franchise fee for each Traditional Unit is \$25,000 for a single **JUICE IT UP®** Unit, \$20,000 for the 2nd Unit, and \$15,000 for the 3rd and each subsequent Unit opened under the same Area Development Agreement.

We will credit the development fees you pay toward each initial franchise fee due under each Franchise Agreement at a maximum rate of 1/2 of the initial franchise fee owed for each Unit, until all development fees have been credited. The balance remaining on the initial franchise fee for each Unit is paid when you sign each Franchise Agreement. The area development fee is not refundable.

### **ITEM 6**

#### **OTHER FEES1**

| Type of Fee           | Amount                                                                          | Due Date                                                                                                                                   | Remarks                                                                                                                                                                                                                                      |
|-----------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Royalties             | 6% of Adjusted Gross Sales <sup>2</sup> or \$200 per week, whichever is greater | Weekly by electronic transfer, as discussed in the Electronic Funds Transfer Agreement (See Franchise Agreement Attachment 2) <sup>3</sup> | You pay Royalties for each full or partial week after you open your <b>JUICE IT UP®</b> Unit, or 180 days after you sign a lease for the premises or take possession of the premises (if you own), whichever is earliest (the "Start Date"). |
| Advertising Fund      | 2% of Adjusted Gross Sales <sup>2</sup> or \$65 per week, whichever is greater  | Weekly by electronic transfer, as discussed in the Electronic Funds Transfer Agreement (See Franchise Agreement Attachment 2) <sup>3</sup> | We may offer a reduced Advertising Fund payment for Non- Traditional Units.                                                                                                                                                                  |
| Local Store Marketing | 1% of Adjusted Gross Sales <sup>2</sup>                                         | Monthly, with documentation of your compliance submitted to us on or before the 15th day of each calendar month                            | Any amounts paid for mandatory mail advertising contributions or contributed to a Co-op will be credited toward this requirement.                                                                                                            |



| Type of Fee               | Amount                                                                                                                   | Due Date                                         | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regional Advertising Fund | As determined by each Regional Advertising Co-op; but not to exceed 1.5% of Adjusted Gross Sales                         | As determined by each Regional Advertising Co-op | You must contribute to the Regional Advertising Fund if/when established. You will have one vote for each Unit you own within a particular Advertising Region. Amounts you contribute to the Regional Advertising Fund will be credited toward your local store marketing requirements under Section 7.9 of your Franchise Agreement.                                                                                                                                                                                                            |
| Additional Training Fee   | \$100 per hour (or our then-current rates), plus our costs and expenses if we conduct a training program at your Unit    | Before any additional training                   | You pay us this rate if additional training is required or requested (this is not for the Initial Training Program, which is included in your initial franchise fee for up to 3 people). You will also reimburse us for expenses incurred if any part of the additional training is provided at your Unit. Some examples of when additional training fees will be charged include: for anyone who does not successfully complete Initial Training; to train a replacement Designated Manager; or if you request additional training of any kind. |
| Audit                     | Cost of audit plus late fees and interest if 3% discrepancy is found between what has been reported/paid and what is due | Upon invoice                                     | Your rights may be terminated if a 7% or greater discrepancy is found or intentional underreporting of any amount has occurred.                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Type of Fee               | Amount                                                                                                                                                                                   | Due Date                                                                             | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Relocation Fee            | 20% of our then-current initial franchise fee                                                                                                                                            | Upon signing the Relocation Agreement or Franchise Agreement for your relocated Unit | If relocation takes place at the time of renewal, you only pay the Relocation Fee not the Renewal Fee. Then- current initial franchise fee is for a single Unit prior to offset by development fees, VetFran discounts or any other reductions.                                                                                                                                                                                                     |
| Renewal Fee               | 25% of our then-current initial franchise fee                                                                                                                                            | As billed before we grant consent                                                    | Then-current initial franchise fee is for a single Unit prior to offset by development fees, VetFran discounts or any other reductions.                                                                                                                                                                                                                                                                                                             |
| POS License Fee           | \$99 per machine, per month                                                                                                                                                              | Monthly as required by Vendor                                                        | Subject to Vendor changes. See Item 11.                                                                                                                                                                                                                                                                                                                                                                                                             |
| Transfer Fee <sup>4</sup> | \$15,000<br>If you have signed an Area Development Agreement, the transfer must be for all Units identified on your Development Schedule, and the Transfer Fee is \$20,000 for all Units | The Transfer Fee must be paid when we sign the Consent to Transfer Agreement         | No transfers permitted within 12 months of signing the Franchise Agreement or any transfer event absent consent in urgent circumstances and payment of increased Transfer Fee of \$17,500.<br><br>No transfer fee if you are assigning your Franchise Agreement upon your death or to an entity 100% controlled by you, but you must reimburse us for all direct and indirect expenses we incur related to the transfer, including attorney's fees. |

| Type of Fee                                                                  | Amount                                                                                                                                                              | Due Date     | Remarks                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest and Administrative Fees on Late Payments and Reports <sup>3,5</sup> | Interest at a rate of 1.5% per month (18% APR where allowed by law) on unpaid amounts plus \$50 Administrative Fee per occurrence                                   | Upon invoice | Assessed and begins accruing on the day the payment or report was due.                                                                                                                                                                                                         |
| Conventions                                                                  | Our then-current registration fee, up to \$500                                                                                                                      | Upon invoice |                                                                                                                                                                                                                                                                                |
| Inspection Fee & Reimbursement                                               | \$100 per hour (or our then-current rates), plus our costs and direct expenses in connection with any inspection of your Unit for which you receive a failing score | Upon demand  |                                                                                                                                                                                                                                                                                |
| Customer Complaint Reimbursements                                            | Reimbursement of the amount we paid                                                                                                                                 | Upon demand  | You must handle customer complaints concerning your Unit. If we are contacted by a customer and determine, in our sole discretion, that we should act to allay concerns about your Unit, you will reimburse us for any gift cards or refunds given, or other amounts we incur. |
| Mandatory Non-Compliance Fee                                                 | \$500 for the 1st default, \$1,000 for the 2nd, and \$2,000 for the 3rd and each subsequent.                                                                        | Upon Demand  | This includes your non-compliance with the MANUAL, the Franchise Agreement, and any other agreement between you and us.<br><br>This does not waive our right to terminate.                                                                                                     |

| Type of Fee     | Amount                                                                                                                                                                                                       | Due Date                                  | Remarks                                                                                                                                   |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Indemnification | The amount of any expenses and/or liabilities of any kind arising from any act or omission of yours relating to your Unit other than operation of your Unit in full compliance with the Franchise Agreement. | Upon written request for indemnification. | This includes our Customer Satisfaction Program and ethical business conduct (see Sections 7.2.8 and 7.2.12 of your Franchise Agreement). |

1. All fees are non-refundable. Except as individually negotiated between us and a franchisee or except as otherwise expressly described in this disclosure document, we charge uniform fees for all franchises we currently offer in this state. We can adjust any amount described in the Franchise Agreement as subject to inflation adjustment on an annual basis and in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index) as compared to the previous year. If we make an adjustment, we will give you at least 30 days' advance notice.

2. "Adjusted Gross Sales" is defined in Section 3 of your Franchise Agreement as the total amount of money or other consideration you and your Related Parties receive for all goods sold and services rendered from the Accepted Location or in association with our Trade Name or Marks, of any kind whatsoever.

3. You must sign the form in Attachment 2 to your Franchise Agreement before you open your Unit, to establish an electronic funds transfer arrangement so we can debit your bank or other financial institution for the Royalty Fees, Advertising Fund, Interest on Late Payments, Administrative Fees on Late Payments and Reports and all other fees or payments due us or any of our Affiliates. It is a material breach of your Franchise Agreement to fail to implement or maintain this EFT system in accordance with our instructions.

4. If you are a transferee, you must spend at least \$2,500 on re-opening promotion during the 1st 90 days after transfer to you. This informs the public of change of ownership.

Interest begins from the date of underpayment, and continues to accrue until paid.

# ITEM 7

## ESTIMATED INITIAL INVESTMENT

One JUICE IT UP® Unit (Single Franchise Agreement)

### YOUR ESTIMATED INITIAL INVESTMENT<sup>1</sup>

| Type of Expenditure                                | Amount             |           | Method of Payment                       | When Due                         | To Whom Payment is to be made           |
|----------------------------------------------------|--------------------|-----------|-----------------------------------------|----------------------------------|-----------------------------------------|
|                                                    | Low                | High      |                                         |                                  |                                         |
| Initial Franchise Fee <sup>2</sup>                 | \$10,000 (VetFran) | \$25,000  | Single payment                          | Upon signing Franchise Agreement | Us                                      |
| Real Estate <sup>3</sup>                           | \$12,000           | \$20,000  | Deposit, plus 3 months' rent            | At lease signing                 | Lessor                                  |
| Architect, and Blueprint Fees                      | \$8,500            | \$8,885   | As arranged                             | Before opening                   | Approved Architect                      |
| Building Permits                                   | \$3,200            | \$5,300   | With applications                       | Before opening                   | Government Agencies                     |
| Tenant Improvements <sup>4</sup>                   | \$75,000           | \$152,000 | As arranged                             | As arranged                      | Contractor                              |
| Signs & Menu Boards <sup>5</sup>                   | \$4,000            | \$14,000  | As arranged                             | Before opening                   | Suppliers                               |
| POS System & Office Equipment <sup>6</sup>         | \$5,000            | \$8,000   | Single payment                          | Before opening                   | Suppliers                               |
| Furniture, Fixtures & Other Equipment <sup>7</sup> | \$85,000           | \$110,000 | Single payment or installments on lease | Before opening                   | Suppliers                               |
| Utility Deposits and Sales Tax Bonds <sup>8</sup>  | \$2,500            | \$5,500   | As incurred                             | Before opening                   | Municipal Utilities & Equipment Lessors |
| Opening Stock (Inventory)                          | \$3,500            | \$7,000   | Terms set by suppliers                  | As arranged                      | Distributors & Suppliers                |
| Small Wares                                        | \$3,000            | \$3,500   | As arranged                             | Before opening                   | Suppliers                               |

| Type of Expenditure                       | Amount    |           | Method of Payment | When Due                            | To Whom Payment is to be made      |
|-------------------------------------------|-----------|-----------|-------------------|-------------------------------------|------------------------------------|
|                                           | Low       | High      |                   |                                     |                                    |
| Expenses While Training <sup>9</sup>      | \$700     | \$5,000   | As arranged       | Before opening                      | Transportation, Hotel, Meals, etc. |
| Grand Opening Event <sup>10</sup>         | \$5,000   | \$5,000   | As arranged       | 4-6 weeks after opening of business | Various vendors                    |
| Additional Funds <sup>11</sup> (3 months) | \$10,000  | \$30,000  | Varies            | As incurred                         | Various                            |
| Total                                     | \$227,400 | \$399,185 |                   |                                     |                                    |

[Remainder of page left blank intentionally]

**Three JUICE IT UP® Units (Area Development Agreement)**

**YOUR ESTIMATED INITIAL INVESTMENT<sup>1</sup>**

**(First Store Only under a 3 Unit Area Development Agreement)**

| Type of Expenditure                                                   | Amount                                                                                                    |                                                                                                 | Method of Payment            | When Due                                | To Whom Payment is to be made |
|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------------|-------------------------------|
|                                                                       | Low                                                                                                       | High                                                                                            |                              |                                         |                               |
| Initial Franchise Fee <sup>2</sup><br>(per JUICE IT UP® Unit)         | One half of \$10,000 (VetFran), with other half simultaneously credited from your initial development fee | One half of \$25,000, with other half simultaneously credited from your initial development fee | Single payment               | Upon signing each Franchise Agreement   | Us                            |
| Initial Area Development Fee <sup>2</sup>                             | \$15,000                                                                                                  | \$30,000                                                                                        | Single payment               | Upon signing Area Development Agreement | Us                            |
| Real Estate <sup>3</sup> (per JUICE IT UP® Unit)                      | \$12,000                                                                                                  | \$20,000                                                                                        | Deposit, plus 3 month's rent | At lease signing                        | Lessor                        |
| Architect, and Blueprint Fees<br>(per JUICE IT UP® Unit)              | \$8,500                                                                                                   | \$8,885                                                                                         | As arranged                  | Before opening                          | Approved Architect            |
| Building Permits<br>(per JUICE IT UP® Unit)                           | \$3,200                                                                                                   | \$5,300                                                                                         | With applications            | Before opening                          | Government Agencies           |
| Tenant Improvements <sup>4</sup><br>(per JUICE IT UP® Unit)           | \$75,000                                                                                                  | \$152,000                                                                                       | As arranged                  | As arranged                             | Contractor                    |
| Signs & Menu Boards <sup>5</sup><br>(per JUICE IT UP® Unit)           | \$4,000                                                                                                   | \$14,000                                                                                        | As arranged                  | Before opening                          | Suppliers                     |
| POS System & Office Equipment <sup>6</sup><br>(per JUICE IT UP® Unit) | \$5,000                                                                                                   | \$8,000                                                                                         | Single payment               | Before opening                          | Suppliers                     |
|                                                                       |                                                                                                           |                                                                                                 |                              |                                         |                               |

| Type of Expenditure                                          | Amount    |            | Method of Payment                       | When Due                          | To Whom Payment is to be made           |
|--------------------------------------------------------------|-----------|------------|-----------------------------------------|-----------------------------------|-----------------------------------------|
|                                                              | Low       | High       |                                         |                                   |                                         |
| Furniture, Fixtures & Other Equipment <sup>7</sup>           | \$85,000  | \$1110,000 | Single payment or installments on lease | Before opening                    | Suppliers                               |
| (per JUICE IT UP® Unit)                                      |           |            |                                         |                                   |                                         |
| Utility Deposits and Sales Tax Bonds <sup>8</sup>            | \$2,500   | \$5,500    | As incurred                             | Before opening                    | Municipal Utilities & Equipment Lessors |
| (per JUICE IT UP® Unit)                                      |           |            |                                         |                                   |                                         |
| Opening Stock (Inventory)                                    | \$3,500   | \$7,000    | Terms set by suppliers                  | As arranged                       | Distributors & Suppliers                |
| (per JUICE IT UP® Unit)                                      |           |            |                                         |                                   |                                         |
| Small Wares (per JUICE IT UP® Unit)                          | \$3,200   | \$3,500    | As arranged                             | Before opening                    | Suppliers                               |
| Expenses While Training <sup>9</sup> (per JUICE IT UP® Unit) | \$700     | \$5,000    | As arranged                             | Before opening                    | Transportation, Hotel, Meals, etc.      |
| Grand Opening Event <sup>10</sup> (per JUICE IT UP® Unit)    | \$5,000   | \$5,000    | As arranged                             | 8 weeks after opening of business | Various vendors                         |
| Additional Funds <sup>11</sup> (for 3 months)                | \$10,000  | \$30,000   | Varies                                  | As incurred                       | Various                                 |
| Total                                                        | \$242,600 | \$429,185  |                                         |                                   |                                         |

*All figures are estimates only.*

*All payments made to us are non-refundable. Payments made to third parties may or may not be refundable depending on the terms agreed to by you and the third party.*

*All figures relate to the development and opening of one new **JUICE IT UP®** juice bar. The low end of the amounts reflects a Kiosk unit. If you acquire an operating **JUICE IT UP®** juice bar from us, the price you pay for its assets and other terms will be negotiated between you and us and are not reflected in the above chart. Refer to the form of Asset Purchase Agreement attached as Exhibit E of this disclosure document.*



*If you are an Area Developer, the figures provided are estimates for the opening of your first store. Your other stores may be opened many months later, and we do not and cannot predict to what extent costs at the time that you incur them will vary from the information contained in this chart. They may vary significantly.*

1. Your Estimated Initial Investment: Except for the "Additional Funds" category shown above, the table shows estimated expenses until your Unit first opens for business. Most of these funds are non-refundable, except for some insurance payments and security deposits in certain instances.
2. Initial Franchise Fee/Initial Area Development Fee: If you open 3 or more Units in a defined area under an Area Development Agreement, the initial franchise fee for each Traditional Unit is \$25,000 for your 1<sup>st</sup> Unit, \$20,000 for your 2<sup>nd</sup> and \$15,000 for your 3<sup>rd</sup> and each such subsequent Unit identified on your Development Schedule. The high-end estimates of the initial franchise and initial area development fees can go higher for an Area Developer with a Development Schedule that calls for more than the minimum number (3) of units (i.e., having 4 or more). VetFran Franchises may be included in the Development Schedule, but we do not discount the \$10,000 initial franchise fee for Veterans other than under our VetFran Platinum Program described in Item 5. Area Development fees of ½ the amount of the initial franchise fees due for each Unit are paid when you sign the Area Development Agreement and are credited toward the initial franchise fees due, but are not refundable. Franchise fees for Non-Traditional Units can range from \$2,500 to \$25,000, depending on the type of Non-Traditional Unit purchased, whether purchased in a single or multi-unit transaction, the location of the Unit and other factors.
3. VETFRAN PROGRAM: The Initial Franchise Fee for veterans qualified under the IFA's VetFran Program, as described in Item 5, is \$10,000 for each **JUICE IT UP®** Unit purchased, regardless of quantity. An additional incentive applies under certain conditions when two Traditional Units are concurrently purchased by a qualifying Veteran under our "VetFran Platinum Program", as further defined in Item 5.
4. Real Estate: These figures are based on the assumption that premises will be rented and include 3 months' rent and a security deposit. The premises will probably be located in a strip center, mall, food court or market center; the size will range from 200 square feet to 1,200 square feet.
5. Tenant Improvements: This category includes the cost of permanent construction modifications to leased premises including walls, ceilings, floors, plumbing, electrical and HVAC. Low estimate is based upon a 200 square ft. free-standing kiosk. High estimate is for an unimproved space of approximately 1,200 square ft requiring extensive demolition. Landlord TI allowance is excluded from both of these estimates but we recommend that you try to negotiate for some amount of TI allowance with your Landlord.
6. Signs & Menu Boards: This category includes exterior and interior signage and graphics. Low estimate assumes no outdoor sign for a kiosk unit, but includes interior graphics, interior signage and a television and digital/electronic menu board system. High estimate includes 2 exterior signs in addition to the interior signage and 5 menu boards.
7. POS System & Office Equipment: In addition to the POS (point-of-sale) cash register system, this category includes back office items such as a combination fax, copier and printer, personal computer, telephone, printer & miscellaneous office equipment, and a 42" or larger TV for the customer area. Some Units may require 1 additional tablet-style POS system, plus safes and telephone.

8. Furniture, Fixtures & Other Equipment: This category includes "Trade Fixtures" such as freezers, refrigerators, food preparation equipment, cabinets, janitorial equipment, alarm systems, installation, freight and taxes. Low range would be a non-traditional layout with limited menu items. High range is full menu traditional layout units.
9. Utility Deposits and Sales Tax Bonds: This category may include sales tax deposits or bonds, sewer hookup charges, utility deposits, and security deposits on leased equipment.
10. Expenses While Training: You must arrange and pay for transportation, meals, lodging and incidentals for you and your Designated Manager while attending our training programs. The amount you spend will depend upon several factors, including the distance you have to travel and the type of accommodations you choose. We based the high end estimate upon such expenses anticipated for 2 people, for 5 days, including approximate costs for hotel, airfare, etc. The low end estimate is based upon attendees who live locally who would not need airfare or hotel accommodations for the duration of training. You will also be responsible for wages you pay your staff during training.
11. Grand Opening Event: Within the first 30-45 days after opening your Unit, you must spend at least \$5,000 on grand opening advertising and promotion, but may choose to spend more. We recommend that you spend \$5,000 to do a proper Grand Opening, involving the Chamber of Commerce in your community. As discussed in Item 6, an existing operating Unit requires a re-opening expense of at least \$2,500.
12. Additional Funds: This category includes estimated employee wages, opening cash, professional fees and other miscellaneous expenses that you may incur from signing and during the first 90 days of your operations. This is an estimate and we cannot guarantee that you will not have additional expenses or that additional working capital will not be necessary during or after this start-up phase. Your actual costs will depend on factors including your management skill, experience and business acumen, local competition and economic conditions, the local market for the Unit, the prevailing wage rate, and the sales level reached during the start-up phase. We relied on the experience of our management in developing these figures. You should review them carefully in light of local conditions and the current economic outlook, consulting a business advisor if necessary.

## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must offer and sell all the products and services we specify and only the products and services, that we authorize. Within 30 days after written notice from us (unless we specify a longer period), you must commence and continue to offer and sell all additional products and services we specify or, if we decide to withdraw our approval of any products or services, you must cease offering and selling those products or services.

All suppliers providing products or services for your **JUICE IT UP®** location must be selected from the **JUICE IT UP®** approved and published supplier list or have our written approval prior to substitution. Additionally, you must use and sell only the specified retail supplements, snacks, hot drinks, and other products we designate. The rights granted to you are solely in connection with your retail sale, use and distribution under the System and you may not engage in any wholesale activities. Any wholesale activities by you will be grounds for termination of the Agreement by us.

We will give you, in the MANUAL or in writing, a list of names and addresses of suppliers of goods and services that currently meet our standards. These may be "designated suppliers" from which you are required to purchase certain types of goods or services or "approved suppliers" from whom you may purchase certain types of goods or services. We require that you use only designated and approved suppliers to ensure that uniform, high quality standards and a safe environment are part of each customer's experience, throughout the System which in turn promotes goodwill in the **JUICE IT UP®** brand and Marks. In addition, many of the products and items supplied are proprietary and/or private label items which have aspects which must be kept confidential. Also, by entering into exclusive purchasing agreements with these suppliers, we may have negotiated quantity, ingredient and distribution discounts for the **JUICE IT UP®** Network as a whole. The amount of any discounts may vary and the precise terms of these agreements are confidential. To become an approved supplier, a supplier must stock items meeting our specifications, be reliable, charge reasonable prices, meet our Hazard Analysis and Critical Control Point ("HACCP") requirements and be willing to make deliveries to individual locations. We may choose to withhold our approval of a supplier if we feel granting approval would jeopardize current supplier relationships. You are required to accept delivery of approved products and items in accordance with the terms negotiated for the benefit of the Network which may include automatic shipments at the then current product cost plus distribution margin.

Promotional Items, including signs, menus, gift and loyalty card machines, supplement guides, in-store promotional posters, training and recipe cards, and point-of-sale materials for new promotions may be purchased only from us or a designated or approved supplier as described in the MANUAL. All promotional, advertising and informational materials must be uniform in all **JUICE IT UP®** Units; you must remove all unauthorized or unapproved items from your Unit. Many **JUICE IT UP®** items are copyrighted, and may be proprietary to us. Local store advertising and marketing materials must be produced by you, either utilizing templates we provide to you or professionally generated materials approved by us prior to use.

You must use an architect and general contractor to design and build your **JUICE IT UP®** Unit. Your architect and contractor must be state licensed, insured and bonded in full compliance with all applicable laws. All equipment must be purchased in accordance with the latest specifications and only from approved sources. You must buy fruit juices, bottled juices, frozen hard-pack yogurt, sherbets, IQF (individually quick frozen) or fresh fruits and vegetables (produce), nutritional supplements, hot tea and coffee, snacks, gift and loyalty cards and machines, POS system and polling software exclusively from approved suppliers. We offer referrals to professional service providers, including in most instances real estate brokers, and real estate attorneys, but are not responsible for their services or the information they provide. All food products sold in your store must be approved by **JUICE IT UP®** and provided only by approved suppliers or distributors.

Paper goods, including logo cups, bowls, lids, napkins and straws, must be purchased only from approved suppliers. To be approved, besides meeting the criteria described above, the supplier must stock all of the paper and non-paper items used in a **JUICE IT UP®** Unit, including logo cups and other items bearing the Marks as we specify from time to time. The movement to "green" or eco-friendly packaging will impact the business and may increase costs of cups, bowls and other items. We intend to be environmentally compliant and will require use of only approved packaging materials which may change over time.

Products or services must be purchased from a currently approved supplier. If you wish to purchase from an alternate supplier or secure products and ingredients not currently offered, you must first advise us of this fact in advance of selling or using the item and, upon our request, give us product specifications, sample products, and/or information about the supplier. We will communicate in writing to you either our approval or reasons for withholding our approval within a month. Silence may not be construed as consent. Normally, we will not expect you to pay for our evaluation of a supplier. However, if, in our opinion, the cost of inspecting the supplier's premises, checking the supplier's credentials, and/or testing the product will result in costs of \$500 or more, we will invoice you for any of these amounts over \$500. As a condition of approving a supplier of any product that bears the Trade Name or Marks, we may require that the supplier sign our then current form of

License Agreement. We may withdraw our approval of a supplier if it no longer meets our standards. If this occurs, you will be notified in writing.

It is your responsibility to place orders with approved suppliers, manage your inventory levels and deal with designated and approved suppliers as needed. We do not arrange or place orders for deliveries to your store. Occasionally items may be forced shipped to your store to expedite a seasonal sale, you will be notified in advance of these shipments.

Operating equipment for the Unit must meet our standards and specifications. IQF fruit, fresh fruits and vegetables, juice, frozen yogurt & sherbets, sandwiches, baked goods such as pretzels, bagels, and muffins, nutritional supplements, protein bars, chips and other healthy snacks must also meet standards and specifications. Normally, we formulate specifications based on our experience and standards established by the USDA (United States Department of Agriculture). If you submit new products for evaluation, the product will be evaluated in the manner described above for approving a supplier. Standards, specifications and any related modifications will be communicated to you in the MANUAL or otherwise in writing. Upon request, applicable standards and specifications will also be communicated to suppliers. You may be in breach of your Franchise Agreement if you do not comply with our standards, which are intended to provide a consistent and uniform product and experience for customers. This could result in termination of your Franchise Agreement.

You must purchase and maintain a policy or policies of comprehensive public liability insurance, including product liability coverage, covering all Unit assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than \$2,000,000. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must also carry 1) casualty insurance in a minimum amount equal to the replacement value of your interest in the **JUICE IT UP®** Unit premises, including furniture, fixtures and equipment, and 2) business interruption insurance in an amount sufficient to cover the rent of the **JUICE IT UP®** Unit premises, salary or wages of key personnel, and other fixed expenses. In addition, you must maintain policies of worker's compensation insurance, disability insurance, Employer Practices Liability Insurance and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without 10 days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us and our Affiliate as additional named insureds, and be satisfactory to us in form, substance and coverage. Your policy must include the following language showing us as an additional insured: "SJB Brands, LLC, its partners and joint ventures, and the officers, directors, shareholder, agents, servants and employees of each of them." You must deliver a certificate of the issuing insurance company evidencing each policy to us within 10 days after the policy is issued or renewed. Failure to do so is a material breach of the Franchise Agreement.

As described above, you agree to submit to us copies of all advertising materials that were not generated by us that you propose to use at least 2 weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you in writing whether we approve or reject them. We may withhold our approval if, in our opinion, the materials are not professionally prepared or do not convey the image and informational data consistent with our advertising program. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentations.

As of the date of this disclosure document, neither we nor any of our Affiliates receive rebates or discounts from suppliers or professional service providers based upon purchases from those suppliers by franchisees. We or one or more of our Affiliates may, in the future, collect rebates, credits and/or other fees from suppliers based on purchases or sales by franchisees and we may keep or use those amounts without

restriction and for any purpose we and our affiliates deem appropriate. Neither our predecessor, LLJ, nor any of LLJ's Affiliates, received revenues from required purchases by franchisees in LLJ's 2017 fiscal year. Because we are franchising for the first time under this disclosure document, we have never received revenues from required purchases by franchisees.

We are the designated supplier for certain point-of-purchase ("POP") materials and marketing kits, gift cards, loyalty cards and coupon books which you may purchase. Your annual cost for these items is not reflected in the Item 6 chart because these purchases are not mandatory. Other than us, there are no approved suppliers in which any of our officers owns an interest.

We estimate that about 80% of your startup expenses and 50% of your ongoing expenses will be incurred for required purchases.

We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

## ITEM 9

### FRANCHISEE'S OBLIGATIONS

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

| Obligation                                             | Section in Agreement                                                                                                                    | Disclosure Document Item |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| a. Site selection and acquisition/lease                | Franchise Agreement §§ 4.2, 7.2.2; Area Development Agreement § 5.1                                                                     | 7, 8, 11                 |
| b. Pre-opening purchases/ leases                       | Franchise Agreement § 7.2.3; Area Development Agreement § 5.1; Asset Purchase Agreement §§ 1.1 – 1.5                                    | 5, 8                     |
| c. Site development and other pre-opening requirements | Franchise Agreement §§ 7.2.2, 7.2.3, 7.2.5; Area Development Agreement §§ 3.2, 5.1; Asset Purchase Agreement §§ 3.1, 5.1, 6.1, 7.3, 7.5 | 5, 7, 12                 |
| d. Initial and ongoing training                        | Franchise Agreement §§ 5.1, 7.2.4                                                                                                       | 11                       |
| e. Opening                                             | Franchise Agreement § 7.2.5; Area Development Agreement § 3.4.1 and Attachment 2                                                        | 11                       |

| Obligation                                                 | Section in Agreement                                                                                                      | Disclosure Document Item |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------|
| f. Fees                                                    | Franchise Agreement § 6; Area Development Agreement § 5; Asset Purchase Agreement §§ 1.2, 1.4, 1.5, 7.3, 10.1             | 5, 6                     |
| g. Compliance with standards and policies/Operating Manual | Franchise Agreement §§ 3.14, 3.17, 7.2.1; Area Development Agreement §§ 5.1, 10.1                                         | 11                       |
| h. Trademarks and proprietary information                  | Franchise Agreement §§ 3.18, 7.1, 8.1, 8.4, Attachment 5; Area Development Agreement § 7; Asset Purchase Agreement § 12.2 | 13, 14                   |
| i. Restrictions on products/ services offered              | Franchise Agreement § 7.2.6                                                                                               | 16                       |
| j. Warranty and customer service requirements              | Franchise Agreement §§ 7.2.7, 7.2.8                                                                                       |                          |
| k. Territorial development and sales quotas                | Franchise Agreement § 4.2.2, Area Development Agreement § 3 and Attachments 1, 2                                          | 12                       |
| l. Ongoing product/services purchases                      | Franchise Agreement § 7.2.6                                                                                               | 8, 10                    |
| m. Maintenance, appearance, and remodeling requirements    | Franchise Agreement §§ 4.3.2, 7.2.3, 9.4                                                                                  | 8, 17                    |
| n. Insurance                                               | Franchise Agreement § 7.6                                                                                                 | 6, 8                     |
| o. Advertising                                             | Franchise Agreement §§ 5.4, 6.3, 7.1.4                                                                                    | 6, 8, 11                 |
| p. Indemnification                                         | Franchise Agreement § 8.5; and Area Development Agreement § 8.1; Asset Purchase Agreement § 12.4                          | 6                        |
| q. Owner's participation management/staffing               | Franchise Agreement § 7.3                                                                                                 | 15                       |

| Obligation                                      | Section in Agreement                                                                                                   | Disclosure Document Item |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------|
| r. Records/reports                              | Franchise Agreement § 7.5; Area Development Agreement § 9                                                              | 6                        |
| s. Inspections/audits                           | Franchise Agreement §§ 6.5, 7.2.10                                                                                     | 6                        |
| t. Transfer                                     | Franchise Agreement §§ 3.29, 6.8, § 9; Area Development Agreement § 6; Asset Purchase Agreement §§ 1, 11 and Exhibit 3 | 6, 17                    |
| u. Renewal                                      | Franchise Agreement § 4.3.2; Area Development Agreement § 3.4.2                                                        | 6, 17                    |
| v. Post-termination obligations                 | Franchise Agreement § 10.4 and Attachment 5; Area Development Agreement §§ 7, 8.1                                      | 17                       |
| w. Non-competition covenants                    | Franchise Agreement § 8.6 and Attachment 5; Area Development Agreement § 7                                             | 17                       |
| x. Dispute resolution                           | Franchise Agreement § 11.1; Area Development Agreement §§ 7, 10.6; Asset Purchase Agreement § 12.7                     | 17                       |
| y. Other: guaranty of franchisee obligations(1) | Franchise Agreement § 8.7 and Attachment 6; Asset Purchase Agreement Exhibit 3                                         | None                     |
| z. Liquidated damages                           | Franchise Agreement § 11.1.3                                                                                           | None                     |

Note(s):

(1) If you are a corporation, limited liability company, limited partnership or other business entity, each of your owners, and the spouse or domestic partner of each owner, must personally guarantee all of your obligations to us (see Personal Guaranty, Attachment 6 to Exhibit C-2).

## ITEM 10

### FINANCING

We do not offer direct or indirect financing, although we reserve the right to do so in the future. We do not guarantee your note, lease or other obligation. We do not receive any direct or indirect payments or other consideration from any person or entity for the placement of financing with a lender.

## ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

#### **Pre-Opening Obligations**

##### Site Selection and Approval

You must, on your own initiative and at your own expense, locate the site for your Unit in conformance with our site selection criteria. When you locate a proposed site, we will review it and decide if it is suitable from our point of view. You must obtain our written approval of the proposed site and proposed lease or purchase agreement before you sign the lease or purchase agreement. We may not unreasonably withhold our approval. We recommend that you hire or engage a licensed, professional commercial real estate broker to assist you with this process.

To seek our approval of a site, you must advise us in writing of the street address of the proposed site and provide a copy of any demographic information you have about it and any additional information we request. We will base our approval of the site on then-current guidelines for suitable franchise premises that we will give to you in writing. By approving a particular site for the premises of a **JUICE IT UP®** Unit, we do not guarantee that the **JUICE IT UP®** Unit operating at that location will be successful. Success will depend on many factors that are not within our control, including your ability, hard work and financial resources.

To seek our approval of the lease or purchase agreement for the premises of the Unit, you must give us a copy of the proposed lease or purchase agreement. The terms of the lease or purchase agreement must, in our reasonable opinion, not be so onerous as to prevent you from operating the franchised Unit. You should have your own attorney or accountant review your lease or purchase agreement on your behalf. By approving a lease or purchase agreement for the premises, we do not guarantee that the **JUICE IT UP®** Unit operating at that location will be successful, nor do we express an opinion regarding the terms of such lease or purchase agreement. You and the lessor must sign a Collateral Assignment of Lease granting us the option to assume the lease if you default under the Lease or the Franchise Agreement, or if we exercise our right of first refusal pursuant to the Franchise Agreement, or if you opt not to renew or extend the lease. You must give us a copy of the signed lease or purchase agreement within 15 days after it is signed. (Franchise Agreement § 7.2.2 and Attachment 3).

The lease or purchase agreement must be signed by or assigned to the same party that signs the Franchise Agreement. In other words, the tenant must be the franchisee.

Some of the factors we consider in approving a site are suitable demographics, adequate population density, heavy foot and drive-by traffic, strong tenant mix, a strong anchor tenant, availability of parking, convenient access, high visibility and proximity to health-related facilities such as gyms, and to high schools and colleges. Among the factors we consider in making a decision on whether to accept a lease or purchase



agreement is whether the proposed lease or purchase agreement provisions are satisfactory to us in light of our own interests.

We will approve or disapprove your proposed site within 2 weeks after you present the information described above to us. If we do not agree with you about a site, you may not use that site for your Unit.

If you do not find a site that we approve within 6 months from signing the Franchise Agreement, the Agreement will terminate unless we grant you an extension. You may submit a written request for extension of the site selection deadline, which we may grant or withhold, in our Business Judgment. We do not refund any portion of the fees you have paid if you do not find a site and we terminate the Agreement.

### Construction and Decor

We will provide you with the latest Juice It Up design criteria, typical layout, and CAD criteria plans. You must, at your own expense, tailor the plans and specifications provided by us and then submit the customized plans and specifications to us for written approval. Upon the execution of your lease, we will conduct a Construction Overview during the Orientation Program at our headquarters or another location we designate. During this meeting, which you must attend, we will provide you with a project and construction management activity timeline ("PERT" Chart) for the development and construction of your Unit. (Franchise Agreement § 7.2.3).

### Orientation Program

Before the opening of your Unit, we will conduct a mandatory Orientation Program at our headquarters or another location we designate. The program will consist of approximately 8 hours of introductory training in the System, LSM Program Development and Construction Overview. You must attend. (Franchise Agreement § 5.1.1).

### Initial Training Program

Before the opening of your Unit, or if you are a transferee, before you first begin operating the business, we will conduct a mandatory Initial Training Program in the operation of the Unit under the **JUICE IT UP®** System for you and your Designated Manager and one back-up manager for up to approximately 50 hours at locations we select. You and your Designated Manager, if different, must attend and successfully complete the Initial Training Program to our satisfaction before you may open your Unit. The Initial Training Program will include both classroom training and hands-on training. (Franchise Agreement § 5.1.2). Your Unit must always be actively supervised by a person who has successfully completed our Initial Training Program and is certified by us to act as Designated Manager. (Franchise Agreement § 7.3.1).

### On-the-Job Training Program

We will send a representative to help you in opening and initially managing your Unit and to help you complete the On-the-Job Training of your management for up to approximately 50 hours over a period of 5-6 days around the time you open. The trainer will be present in a teaching capacity only and will not be responsible for any aspect of Unit operations. We will use commercially reasonable efforts to provide opening assistance and training promptly following the scheduled completion date of which you notify us, but the timing of the assistance is subject to availability of our personnel. You must have all of your management in attendance during the entire week of the On-the-Job Training Program. (Franchise Agreement § 5.1.3).

### The MANUAL and our Exclusive Secure Website

We will lend you the MANUAL, including the Juice and Smoothie Bar Operations Manual ("Operations 101"). These will be referred to collectively as the "MANUAL." The MANUAL contains explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the Unit, sample business forms, information on marketing, health and safety, management, and administrative methods developed by us for use in the Unit, names of approved suppliers, and other information that we believe may be necessary or helpful to you in your operation of the Unit, including the proven techniques to market your Unit.

Copies of the Table of Contents of the MANUAL are attached as Exhibit F. The MANUAL contains a total of 424 pages.

We will revise the MANUAL periodically to conform to the changing needs of the Franchise Network and will periodically distribute updated MANUAL pages and information to you. You must incorporate these revisions in your copy of the MANUAL to keep the information current at all times.

We have no obligation to maintain the Juice Net website indefinitely and may dismantle it at any time without liability to you. You will have the privilege, and not the right, to use the Juice Net website, subject to your compliance with our specifications and policies. You must sign the Juice Net website terms of use attached as Attachment 7 to the Franchise Agreement. You must own and be proficient with the use of a PC for use in your Unit or your operating office. We may periodically offer Point-Of-Sale ("POS") advertising documents to you.

### Qualifications and Experience

We recommend you have certain qualifications in order to successfully operate the business. These qualifications include passion for the product and lifestyle, desire to be an entrepreneur, willingness to learn from and listen to us, previous business ownership or retail and management experience including payroll, sales, dealing directly with the public, being marketing-minded and community driven, having an enthusiastic, friendly and outgoing attitude and drive to succeed. If you do not have these skills, additional personnel will be required to assist with operating the business.

### Time Before Opening

We estimate that the normal length of time between signing a Franchise Agreement and opening a franchised business is between 4 and 12 months. This period does not include time spent looking for a site. Factors that may affect the length of time it takes to open include progress of negotiating a lease, site or Unit construction delays, drafting architectural plans, securing plan approval, and obtaining permits. You may not open your **JUICE IT UP®** Unit for business until you receive written authorization from us. We have the option to terminate the Franchise Agreement if you fail to begin operation of your Unit by (i) the Start Date of the Franchise Agreement; or (ii) 18 months following the date of the Franchise Agreement, whichever is earlier. (Franchise Agreement §10.2.2).

### Post-Opening Obligations

#### Approved or Designated Suppliers

We will give you, in the MANUAL or otherwise in writing, names and addresses of approved or designated suppliers of specified goods and services that you may or must, respectively, use or sell in your Unit. (Franchise Agreement §5.2).

### Consultation

We will use reasonable efforts to make our personnel available to you by telephone, fax, email or, if an intranet is established, intranet for consultation on all aspects of your business in a timely manner for no additional charge. (Franchise Agreement § 5.3).

### Proprietary Products and Promotional Items Availability

We will use commercially reasonable efforts to ensure that a designated supplier will at all times have a supply of Proprietary Products and Promotional Items for sale to you at fair market value. (Franchise Agreement § 5.8).

### Additional Training

We will provide additional training to you during the term of the Franchise Agreement if we believe that additional training is needed. The training may be administered at an annual meeting, regional or periodic meetings, or otherwise, as we determine. (Franchise Agreement § 6.6).

### Advertising Services

We conduct an advertising program for the Franchise Network. We may use print and media advertising, in store and outdoor advertising/promotions, online, digital, mobile and social media advertising, events and sponsorships and public relations campaigns. Community service programs and specialty discount promotions also play an important part in our marketing plan. You must participate in our gift card and loyalty card programs. (Franchise Agreement § 7.2.7).

Currently our advertising projects are primarily regional in scope. We reserve the unqualified right to decide, in our sole discretion, where, when and how fund money will be spent.

Some of our advertising materials are created in-house, while others are created by regional advertising agencies.

### Advertising Council

There is presently a Franchise Advisory Council (FAC) composed of franchisees that we select to participate with us in planning, communication, and execution of the marketing and advertising plans and initiatives to support the **JUICE IT UP®** brand. The FAC exists solely at our discretion.

### Cooperative Advertising

As of the date of this disclosure document, we have not established any local or regional advertising cooperatives ("Co-ops"). If we do so in the future, you must participate in any advertising Co-op for the region in which your Unit is located. Neither we nor our Affiliates, as applicable, are required to contribute to advertising cooperatives for company- or Affiliate- owned Units although we may elect to do so. We may change, dissolve, or merge Co-ops in our sole discretion. You must contribute to the Co-op as determined by the members of the Co-op, not to exceed 1.5% of your Adjusted Gross Sales as determined by vote of the Co-op members, subject to our written approval. All of your contributions to the Co-Op will be applied to the minimum local marketing requirement described below but will not be considered as or credited toward your Marketing Fund contribution obligations. (Franchise Agreement § 5.5).

### Local Advertising

You must spend at least 1% of your Adjusted Gross Sales on individual Local Store Marketing events, less any amounts paid for mandatory mail advertising contributions or contributed to a Co-op, and must conduct social media advertising as defined by us. You must submit documentation of your compliance on or before the 15<sup>th</sup> day of each calendar month. (Franchise Agreement § 7.9).

You will spend at least \$5,000 on a grand opening marketing program during the first 30-45 days following the opening of your JUICE IT UP Unit to the public. If you are a transferee, you must spend at least \$2,500 on re-opening promotion during the first 90 days after transfer to you. These expenditures are in addition to your required Local Store Marketing and Marketing Fund contributions.

All advertising and promotion that you undertake must be completely truthful, conform to the highest standard of ethical advertising, and comply with any applicable laws and regulations. You must submit to us copies of all advertising materials that we did not create at least 2 weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably. Advertising materials that differ from previously approved materials only in such variables as date or price will be covered by any previous approval. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe we must do so to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentations. (Franchise Agreement § 7.1.4).

### Gift Card, Discount & Loyalty Programs

You must participate, at your expense, in all gift card, discount and loyalty programs, including your acquisition and use of gift and loyalty card machines, mobile or other payment capability/application/program, coupon books, and loyalty and gift cards, as required by us. These expenses will not be considered part of your Marketing Fund contributions nor will they count toward your fulfillment of any local marketing requirements.

### Advertising Fund

We will administer the Advertising Fund, which we will keep in a separate bank account. We may use the Fund to pay for market research, advertising materials, media space and time for a national or regional advertising program, a promotional web site, a referral program and public relations activities. The fund may also be used for advertising grants to franchisees, collectively or individually. We may use fund money to compensate ourselves for overhead, including salaries of marketing, administrative or other personnel, and other expenses incurred in connection with our implementation of the fund. (Franchise Agreement § 5.4.1).

The amount of your contribution to the Advertising Fund is disclosed in Item 6. We have the right to waive or defer payment of Advertising Fund contributions by specified franchisees at our sole discretion and have, in fact, waived or deferred advertising fees for some franchisees of Non-Traditional Units. Although we have the right to waive or defer fees for units owned by our Affiliate, our Affiliate currently pays the same percentage of advertising fees as our other franchisees.

We will distribute to our franchisees, once a year upon request, an Advertising Fund report that will state the total amounts of money collected and spent by the Fund during the past year and list, by general category, the manner in which we spent the money. The Fund does not have separate financial statements that you may review and its books are not audited separately from our general accounts.

During LLJ's (our predecessor's) 2017 fiscal year, the Advertising Fund was spent as follows: 21.3% promotions, products and printing, 8.5% public relations, 8.7% events and sponsorships, 12% design and

branding, 25.2% Digital Marketing, 15% administration and 9.3% other miscellaneous, including mail and courier costs for ad materials. We did not retain any compensation for our administration of the Fund.

If not all Advertising Fund contributions are spent in the year in which they are collected, they will be retained in the Advertising Fund for use in the following year. We have the right to lend money to the Advertising Fund, without interest, and to repay ourselves from fund money during the same or a subsequent fiscal year. (Franchise Agreement § 5.4.2).

We do not use any portion of the Advertising Fund for advertisements that principally solicit new franchise sales.

### **Training**

The training program will cover the following:

#### **TRAINING PROGRAM – JUICE IT UP® JUICE BAR**

| Subject                                                                               | Classroom Training Hours | Hands-On Training Hours | Total Hours of Training | Location                      |
|---------------------------------------------------------------------------------------|--------------------------|-------------------------|-------------------------|-------------------------------|
| <b>ORIENTATION PROGRAM</b>                                                            |                          |                         |                         |                               |
| Orientation<br>Introduction to System, LSM Program Development, Construction Overview | 8                        | 0                       | 8                       | Orange County, California     |
| <b>INITIAL TRAINING PROGRAM</b>                                                       |                          |                         |                         |                               |
| Pre-Store Start-Up, Hands-on and Local Store Marketing Training                       | 32                       | 18                      | 50                      | Orange County, California     |
| <b>ON THE JOB TRAINING PROGRAM</b>                                                    |                          |                         |                         |                               |
| Unit Setup                                                                            | 0                        | 10                      | 10                      | Your <b>JUICE IT UP®</b> Unit |
| Unit Operations                                                                       | 0                        | 40                      | 40                      | Your <b>JUICE IT UP®</b> Unit |
| <b>Totals</b>                                                                         | <b>40</b>                | <b>68</b>               | <b>108</b>              |                               |

The franchisee training programs are subject to change. The tables above show you how management currently administers the training programs. The training programs will be supervised by Operations team members, each of whom will have a minimum of 3 to 10 years of experience with us and our predecessor, LLJ, and/or with the subjects taught. Various additional trainers may supplement the training, and will have

operational and management experience. In addition, our trainers are industry certified "ServSafe®" trainers. The training materials currently include our Orientation Manual and the New Franchise Manuals and other materials. Classroom training will be administered in Irvine, California. Hands-On Training will take place in one or more **JUICE IT UP®** Units within proximity to Orange County, California, and/or at the Corporate Training Center. You will not be compensated by us for any work that you or your staff perform while attending the training program.

You must attend our Orientation Program. You may not open your **JUICE IT UP®** Unit to the public until you, your Designated Manager, and not more than 1 additional individual who will serve as a back-up manager at your **JUICE IT UP®** Unit attend, participate in, and successfully complete our Initial Training Program to our reasonable satisfaction. There is no training fee unless we need to provide additional training for individuals who did not successfully complete the training program to our satisfaction.

You and your Designated Manager must be present for the entire duration of the On the Job Training Program, which will cover certain aspects of Unit operations, including "early morning" Unit opening procedures and "end-of-the day" Unit closing and clean up procedures. We do not charge a fee for this training or the training materials unless you request more than one copy of the materials, in which case you will pay for the additional materials at our cost.

You will pay for any incidental expenses, such as the cost of meals, travel, and lodging, incurred by you and/or your management during the training programs, including any wages due to any of your staff.

Under the Franchise Agreement, you must also pay or reimburse us for all of our costs and expenses in connection with travel, lodging, meals and other incidental expenses we incur to provide you and your staff On-the-Job Training.

To meet and remain compliant with our standards and requirements, you must hire and maintain at all times, a sufficient number of full and part time employees plus a full time Designated Manager who has completed all required training as outlined in the MANUAL. If we determine that your operating staff is inadequate to maintain our standards or that your management and/or operating team failed to grasp the procedures and techniques, then your management team must undergo retraining in one or more components of the Initial Training Program and we will charge you for the additional training at our then current rates, which are currently \$100 per hour. Additional training will be required any time you hire a replacement Designated Manager. We may occasionally offer continuing education courses at our Corporate Training Center or at a location we deem appropriate, which may be voluntary or required for you and/or your Designated Manager to attend.

If you are signing your Franchise Agreement in connection with the transfer of an existing **JUICE IT UP®** Franchise Agreement, we will provide you with the Initial Training Program at no additional charge to you, for you, your Designated Manager and not more than 1 additional individual who will work at your **JUICE IT UP®** Unit. If we deem it appropriate, we may also provide you the Orientation Program and the On-the-Job Training Program, also at no additional charge. You, your Designated Manager and the 1 additional individual who will serve as a back-up manager at your **JUICE IT UP®** Unit must complete the Initial Training Program to our satisfaction before the transfer occurs, and before you may open your Unit to the public.

The programs will be given as often as necessary to make certain that each franchisee completes training before opening.

#### **Selection and Installation of Computer Equipment and Software ("POS System")**

We require the following Point of Sale cash register system, consisting of:

- 1 System Hardware – Provided by Vivonet
- 1 System Software – Vivonet application Provided by Vivonet
- 1 Cash Drawer
- 2 Electronic receipt printers
- 1 Credit Card Terminal with EMV and NFR provided by approved integrated Card Processing third party vendor
- 1 Personal Computer capable of internet access
- 1 Printer/copier/fax machine
- 1 Approved Credit card terminal stand High Speed Internet connection
- Mobile Payment Processing Device(s) (from our approved supplier if you will have mobile sales)

The initial cost for the complete POS system and set-up listed above ranges from approximately \$4,550 to \$5,220. Monthly ongoing fees consist of a \$99 Vivonet licensing fee per POS machine and an Internet connection cost of approximately \$125 a month.

You must subscribe to the Vivonet license contract in order to operate and maintain the system. The monthly license fee also includes regular updates and maintenance from Vivonet.

You must subscribe to loyalty and gift card programs whether or not integrated to work with the POS system, which includes a monthly ongoing fee of \$200. If we develop and launch a Juice It Up! Mobile Application, you must subscribe to the program and contract which will be included in the \$200/month fee for the loyalty and gift card programs.

You must provide single line minimum phone service for voice and fax. (Franchise Agreement § 7.5.2).

You are contractually obligated to “close” the POS system every night. This process will record the sales data for the day and reset the system for the next day’s data. Doing this gives us access to the sales information we use on a variety of sales reports which may be used to calculate royalties and Advertising Fund amounts. (Franchise Agreement § 7.5.2).

We may upgrade specifications to the technology in place at the time you sign your Franchise Agreement and you will be required to upgrade the hardware and/or software at your own expense whenever we inform you that it is necessary. You must use the individual system components listed above. If you would like us to evaluate any system or technology for your use in connection with your operations, you must submit an evaluation request to us and receive our written approval of any such system or technology before you may use it in your franchised business.

If we develop a proprietary software system for our franchisees’ use, you agree to purchase, install, use and maintain the software. We will use reasonable efforts to minimize expense to you in connection with any required software. (Franchise Agreement § 7.8). We will not require that you replace your POS system any more frequently than once every 3 years. (Franchise Agreement § 7.5.2).

## ITEM 12

### TERRITORY

#### **Franchise Agreement**

Under the Franchise Agreement, your **JUICE IT UP®** Unit must be located at an Accepted Location. You may not establish your business premises or engage in business activities except at an Accepted

Location. You may not engage in mail order, Internet, or catalog sales or in any other alternative channel of distribution. You may not operate any permanent or temporary mobile vending vehicle, grab 'n go case, cart, kiosk or any other form of distribution without our prior written consent, for which we may require you to execute other appropriate documents, including a general release, and/or to satisfy other conditions and remain in full compliance with the MANUAL. All money you receive from the sale of all goods or services from a distribution (i.e., catering) site other than the Accepted Location, including products produced at the Accepted Location and sold off- site, must be inputted into your POS upon receipt of payment and will be added to your Adjusted Gross Sales under the Franchise Agreement, and are subject to Royalty and Advertising Fund payments.

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may (a) locate or relocate any company/Affiliate-owned or franchised unit to any site regardless of how close the site is to one or more of your Units, (b) own or operate, and license others (which may include our Related Parties) to own and/or operate (i) juice bars under the **JUICE IT UP®** trade name ("Trade Name") and Marks and/or using the System at any location regardless of how close the site is to one or more of your Units; and (ii) businesses, including juice bars, operating under names other than the Trade Name, at any location, and of any type whatsoever, regardless of their proximity to your **JUICE IT UP®** Unit; (c) produce, license, distribute and market foods and other products bearing the Marks, including Promotional Items, pre-packaged juices, smoothies, supplements, snacks and other food and beverage products; books; clothing; souvenirs and novelty items; through any outlet (regardless of its proximity to your **JUICE IT UP®** Unit), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and through other distributors and distribution methods; and to advertise and promote the System through any means, including the Internet; and (d) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses, including arrangements in which company/Affiliate-owned or franchised units (including your **JUICE IT UP®** Unit) are converted to another format. Unless you sign an Area Development Agreement with us, we do not grant to you any options, rights of first refusal, or similar rights to acquire additional franchises.

You may not relocate your Unit without our express written consent, and payment of our relocation fee, which is 20% of our then-current initial franchise fee.

### **Area Development Agreement**

During the term of an Area Development Agreement, you will have the right to develop and operate your **JUICE IT UP®** Units within the Area Development Area specified in the Area Development Agreement. During the term of your Area Development Agreement, we may not operate or grant a franchise to any other person to operate a Traditional Unit within the Development Area. "Development Area" means the geographic area more fully described in Attachment 1 to the Area Development Agreement by means of a map. We reserve to us and our Affiliates all rights to any Non- Traditional Units. We do not permit more than one Area Developer to operate within a given development area.

### **Franchise Agreement and Area Development Agreement**

Neither the Franchise Agreement nor Area Development Agreement restricts you from advertising or promoting your **JUICE IT UP®** Unit(s) anywhere. You are not restricted from soliciting or accepting orders from customers, regardless of their location. However, you may engage only in over-the-counter retail sales at an Accepted Location. You do not have the right to use other channels of distribution, such as wholesale activities, the Internet, catalog sales, telemarketing, mobile food trucks or other direct marketing, to make sales. You may not undertake catering activities without our advance written consent which may be withheld in our sole discretion.



Under an Area Development Agreement, unless you individually negotiate and pay for an option or right of first refusal, you will not have any option or right of first refusal to acquire additional franchises either inside or outside your Development Area.

If you participate in the Area Development Structure, we will not have the right to compete with you under the **JUICE IT UP®** marks by establishing company/Affiliate- owned **JUICE IT UP®** Units, or by authorizing any 3rd party to establish **JUICE IT UP®** Units within your Development Area, during the term of your Area Development Agreement.

If you participate in the Area Development Structure, to maintain your right to develop your Development Area under the Area Development Agreement, you must be in Good Standing under your Area Development Agreement and each of your Franchise Agreements and you must meet your Area Development Schedule under the Area Development Agreement. If you fail to meet these conditions, we may temporarily suspend your right to expand until you are in Good Standing in regard to your operational stores. If you fail to cure defaults in meeting your Area Development Schedule within the cure period allowed under the Area Development Agreement, we may terminate your Area Development Agreement.

If you fail to cure other curable defaults under your Area Development Agreement or commit incurable defaults under your Franchise Agreement, we may terminate your Franchise Agreement. There are no other circumstances under which we may modify your territorial rights.

If we propose any Non-Traditional Units within the Development Area, and you are in Good Standing during the term of your Area Development Agreement, we will send you written notice of the relevant price, location and other primary terms. If, within 30 days after the date of notice, you are uninterested or unable to complete the proposed Non- Traditional Unit development, we may own or operate, or franchise or license others to own or operate any Non-Traditional Units, even if located within the Development Area. If we determine, in our Business Judgment, that the proposed Non-Traditional Unit would be delayed or adversely impacted by providing you with the option to complete the proposed Non-Traditional Unit development, then we have no obligation to send you the aforementioned notice.

If during the term of your Area Development Agreement, we determine that further development of the Development Area is desirable, we will notify you in writing of our decision to develop additional Units in the Development Area. Subject to conditions described in §§ 3.6 and 3.7 of the Area Development Agreement, you have a right to undertake any additional development that we have stated in our notice to you. If you do not exercise the right of additional development, we may, directly or through any Franchisor Related Party or franchisee, construct, equip, open, and operate additional Units in the Development Area.

### **Asset Purchase Agreement**

It is also important for you to understand that if you acquire the assets of your JUICE IT UP® Unit from us and take over our location, you could be a sublessee under a lease held by us. In that case, your ability to operate your franchised business in your specific location is tied to our ability to maintain a lease agreement with the owner of the Premises and to any decision we and/or the lessor makes with respect to the lease and the leased Premises. We do not control and cannot predict what many of those decisions may be. Also, if the master lease agreement with the lessor ends for any reason, your sublease and your franchise can also end and we have no liability to you. Refer to Exhibit 2 of the Asset Purchase Agreement for more information on the termination of a master lease or sublease.

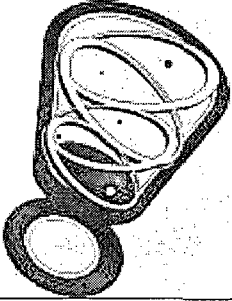
## ITEM 13

### TRADEMARKS

You are granted the right to operate your Unit under the “**JUICE IT UP®**” name. You may also use our other current or future trademarks to operate your Unit. You may not operate your Unit under any other name or trademark, and may not use the “**JUICE IT UP®**” name or any of the trademarks that are part of the “**JUICE IT UP®**” System as part of any business or trade name you establish for any business entity you form.

In connection with the Transaction, BBI transferred ownership in the principal trademarks to us. We are now the registered owner of the principal trademarks in the following chart on the Principal Register of the U.S. Patent and Trademark Office (USPTO). By “principal trademark,” we mean primary trademarks, service marks, names, logos and commercial symbols used to identify your Unit. In addition, we are the registered owner of the trademarks used to identify certain of the branded proprietary smoothie products that you will be licensed to offer for sale in your juice bar, which are also listed in the following chart.

We or others from whom we derived our rights have filed all required affidavits with regard to the following trademark application and registrations.

| Trademark                                                                           | Registration Date                             | Register  | Registration No. |
|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------|------------------|
| JUICE IT UP!                                                                        | Registered 6/29/04; Renewed June 29, 2014     | Principal | 2,857,441        |
| JUICE IT UP                                                                         | Registered 4/19/11                            | Principal | 3,949,373        |
| LIVE LIFE JUICED                                                                    | Registered 11/9/04; Renewed December 6, 2013  | Principal | 2,901,821        |
|  | Registered 12/27/05 Renewed February 11, 2015 | Principal | 3,034,421        |
| JUICE IT UP! RAW JUICE BAR                                                          | Registered 4/9/13                             | Principal | 4,316,492        |

| Trademark                                                                         | Registration Date                    | Register  | Registration No. |
|-----------------------------------------------------------------------------------|--------------------------------------|-----------|------------------|
|  | Registered 12/15/1998 Renewed 5/6/09 | Principal | 2,210,602        |

There is no currently effective determination of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court; nor is there any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state court litigation involving the Marks. No agreements are currently in effect which limit our rights to use or license the use of the Marks in any manner material to the franchise.

We are not aware of any infringing uses presently occurring as to any Mark we will license to you.

Under the Franchise Agreement, you agree to notify us immediately in writing if you become aware of any unauthorized use of the **JUICE IT UP®** Trade Name, Marks, or System or of any claim of rights to a mark identical or confusingly similar to any of the Marks. You will promptly notify us in writing of any claim, demand, or suit against you or your principals in connection with your use of the Trade Name, Marks, or System. The Franchise Agreement does not obligate us to indemnify or reimburse you for any of your expenses, including any legal expenses, in any action or proceeding arising from or in connection with any such claim, demand, or suit. However, we will defend you against such claim, demand or suit if you notify us immediately, you cooperate in the defense, and the claim, demand or suit is not based on your misuse of the Marks or System. We select the legal counsel and have the right to control the proceedings. You waive any claims against us for third party claims involving the Marks or the System. You cannot settle or compromise any claim, demand or suit against you or your principals. You will be bound by our decisions in disputes regarding the Trade Name, Marks and System. You must cooperate fully with us, execute any documents and perform any actions we deem appropriate for the defense of any claims, demands or suits and to protect and maintain our or our Affiliate's rights in the Trade Name, Marks and System.

Under the Franchise Agreement, we can take whatever action we deem appropriate in connection with any dispute, legal proceeding or negotiation arising out of any infringement, challenge or claim relating to the Marks or the System, including taking no action. We have the sole right to control these disputes, proceedings or negotiations.

We reserve the right to discontinue, change, add to and/or substitute new names and marks for the Trade Name and Marks and the specifications for each. If this occurs, we will endeavor to minimize the cost to you of making the changes. You agree that you will fully and promptly conform, at your own expense, to any such changes.

#### ITEM 14

#### PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have not registered any patents or copyrights. There are currently no pending patent applications that are material to the franchise.

We claim common law copyrights for our advertising materials and MANUAL. Our right to use or license these copyrighted items is not materially limited by an agreement or known infringing use.

Under the Franchise Agreement, we can take whatever action we deem appropriate in connection with any dispute, legal proceeding or negotiation arising out of any infringement, challenge or claim relating to the copyrights or the System, including taking no action. We have the sole right to control these disputes, proceedings or negotiations. You agree to notify us immediately in writing if you become aware of any unauthorized use of our copyrights which are part of the System. You will promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with our copyrights. The Franchise Agreement does not obligate us to indemnify or defend you in any action or proceeding involving our copyrights. If we do intervene on our own behalf or act to defend you in any such action, we may select legal counsel and have the right to control the proceedings.

We reserve the right to change or modify any subject matter containing our copyrights when we believe that the changes will benefit the Franchise Network. If this occurs, we will endeavor to minimize the cost to you of making the changes. You agree that you will promptly conform, at your own expense, to any such changes.

#### **ITEM 15**

##### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS**

You understand that you will operate as an independent business from us and so you may not make *representations or promises that obligate us in any way. You are not our partner, joint venturer or agent.* While there is no requirement that you do so, we strongly encourage you or another Owner of the Franchised Business to personally supervise your **JUICE IT UP®** Unit on a regular basis. You must have a Designated Manager who will serve as the general manager of the **JUICE IT UP®** Unit. If you are a natural person, you may be the Designated Manager. There is no requirement that your Designated Manager have an equity interest in the franchise or your Unit and there are no limitations on whom you may hire as a Designated Manager. However, your Designated Manager must successfully complete our training programs before working in your **JUICE IT UP®** Unit. Each Owner, Manager and all of your employees with access to Confidential Information or Trade Secrets must sign a Nondisclosure and Non-competition Agreement in the form of Attachment 5 to the Franchise Agreement. Each Owner must sign a Personal Guaranty in the form of Attachment 6 to the Franchise Agreement.

You, if you are the Designated Manager, or the person you have employed as your Designated Manager must devote all your/his/her productive time and effort to the management and operation of the Unit in the minimum amount of 40 hours per week. The Designated Manager or another employee who has successfully completed our Initial Training Program must be present at the Accepted Location whenever the Unit is open for business. If we, in our sole discretion, determine that a Designated Manager is not properly performing his/her duties, we will advise you and you must immediately take steps to correct the situation. You must keep us informed as to the identity of your Designated Manager. Upon the termination of employment of a Designated Manager, you must appoint a successor within 30 days. Any successor Designated Manager must successfully complete the training program conducted by us, at your expense, before starting work in the **JUICE IT UP®** Unit.

#### **ITEM 16**

##### **RESTRICTIONS ON WHAT YOU MAY SELL**

You must offer and sell all the products and services and only the products and services that we have authorized you to provide. We may change the menu and/or menu format periodically, or from region to region,

or authorize product and service testing from region to region. On receipt of notice from us, you must add, delete or revise the goods and services offered at your Unit according to the instructions contained in the notice. You will have at least 30 days, but not more than 60 days, after receipt of notice from us in which to fully implement any change. You must cease selling any previously approved product within 30 days after receipt of notice that the product is no longer approved. You may be in breach of your Franchise Agreement if you do not comply with the standards we establish, which are intended to provide consistent and uniform products and services to the customer. This could result in the termination of your Franchise Agreement.

Subject to applicable law, written agreement between you and us to the contrary, or as otherwise provided in the Manual, your **JUICE IT UP®** Unit must be open and operational at least 14 hours per day, every day of the year, to maximize operations and sales.

You must operate the Unit in complete compliance with the standards and specifications set out in the MANUAL. We may make changes in these standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the Franchise Network. Such changes may necessitate the change or improvement in customer service techniques, the purchase of equipment, signs, menu boards, Unit upgrades, supplies, furnishings or other goods, completion of additional training by your employees, or other costs to you. You must promptly conform to the modified standards and specifications at your own expense. You must at all times keep your copy of the MANUAL current by inserting in it revised pages we give to you via the Juice Net website, and deleting superseded pages or exchanging the outdated MANUAL for a new one, at our option. If there is any dispute as to the requirements of the MANUAL at any point in time, the terms of the master copy of the MANUAL that we maintain will control.

We may, on occasion, require you to test market products and/or services at your **JUICE IT UP®** Unit. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending machines, magazine or paper racks, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your Unit without our express written consent. If we provide consent for any of these, you must include the related sales in your Adjusted Gross Sales.

You may not engage in any co-branding in or in connection with your **JUICE IT UP®** Unit except with our express written consent, in our sole discretion. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within the Accepted Location or is adjacent to the Accepted Location and operated in a manner which is likely to cause the public to perceive it to be related to your **JUICE IT UP®** Unit. An example would be an independent sandwich shop or counter installed within your Unit.

You may not engage in any wholesale activities related to any product and/or services offered, sold and/or distributed at your **JUICE IT UP®** Unit.

You will establish your **JUICE IT UP®** Unit retail prices; *however*, we reserve the right to establish minimum and maximum prices to the extent permitted under applicable law. We also may recommend pricing.

There is no restriction on the customers to whom you may sell.

## ITEM 17

### RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Although we use the term “renewal” to refer to extending our franchise relationship at the end of your initial term (and any other renewal or extension of the initial term), you must at our option sign a new Franchise Agreement or Area Development Agreement with materially different terms and conditions from those of your original contract, as described in more detail below.

#### THE FRANCHISE RELATIONSHIP

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

##### FRANCHISE AGREEMENT

| Provision                                        | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                     |
|--------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Term of the franchise                         | 4.3.1                          | Term is 10 years.                                                                                                                                                                                                                                           |
| b. Renewal or extension of the term              | 4.3.2                          | If you meet conditions, you can add 2 additional 5-year terms.                                                                                                                                                                                              |
| c. Requirements for you to renew or extend       | 4.3.2                          | Upon renewal, you will be asked to sign a new Franchise Agreement that may have materially different terms and conditions. Other conditions: you must be in good standing, provide timely notice, pay fee, remodel if necessary and sign a general release. |
| d. Termination by you                            | Not Applicable                 | Not Applicable                                                                                                                                                                                                                                              |
| e. Termination by franchisor without cause       | Not Applicable                 | Not Applicable                                                                                                                                                                                                                                              |
| f. Termination by franchisor with cause          | 10.2                           | We may terminate only upon uncured or non-curable material default.                                                                                                                                                                                         |
| g. “Cause” defined - defaults which can be cured | 10.2.2                         | You have 5 days to cure non-payment defaults; you have 30 days to cure other defaults that can be cured. (See state specific variations in State Addendum to Franchise Agreement)                                                                           |

| Provision                                           | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| h. "Cause" defined - defaults which cannot be cured | 10.2.2                         | Non-curable defaults include misuse of Marks, misrepresentation in securing franchise, abandonment for 5 or more days or failure to relocate on expiration or termination of the lease, repeated defaults, unapproved transfer, certain action without our written approval, insolvency, 7% or greater discrepancy in payment of royalties or advertising fees, intentional underreporting of amounts, conviction of criminal conduct, imminent danger to public safety and competition with Franchise Network. (See state specific variations in State Addendum to Franchise Agreement) |
| i. Your obligations on termination/non-renewal      | 10.3                           | Complete de-identification, payment of amounts due, honoring option to purchase or lease, assigning phone numbers, domain names, and more.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| j. Assignment of contract by franchisor             | 9.7                            | May assign, sell, transfer without notice to or consent by you.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| k. "Transfer" by you – definition                   | 3.29, 9                        | Includes transfer of contract or assets or ownership change.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| l. Franchisor's approval of your transfer           | 9.2, 9.4                       | You must obtain our approval subject to the terms of the Franchise Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| m. Conditions for franchisor's approval or transfer | 9.4                            | You provide written notice and, if applicable, copies of signed purchase agreement, escrow instructions and your financial statements and tax returns for the previous 2 years, new franchisee qualifies, transfer fee paid, cure of any defaults, purchase agreement approved, training completed, special release signed, remodeling completed, all outstanding fees brought current, each certificate representing an ownership interest in any transferee entity and/or the bylaws or operating agreement must                                                                       |

| Provision                                                            | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      |                                | contain a statement that ownership interests are held subject to the restrictions on transfer provided in the Agreement; and new franchisee signs then current agreement and agrees to spend at least \$2,500 on re-opening promotion.                                                                                                                                                                                                         |
| n. Franchisor's right of first refusal to buy your business          | 9.3, 10.3, Attachment 3        | We have the right to match any offer to buy your business; we have option to replace you as lessee or owner of premises.                                                                                                                                                                                                                                                                                                                       |
| o. Franchisor's option to buy your business                          | 9.9, 10.3                      | Unless required under applicable state law, we have a right to purchase your business and the assets of your business, as well as your franchise, if it is in effect at the time of purchase. We can give you written notice of the repurchase any time during the term and up to 120 days after the Termination/expiration of the Franchise Agreement. Repurchase price is the price paid minus depreciation and minus amounts you owe to us. |
| p. Your death or disability                                          | 9.6                            | Heirs must qualify as franchisees within 60 days, or, if they do not qualify, must sell within 120 days of notice that they do not qualify.                                                                                                                                                                                                                                                                                                    |
| q. Noncompetition covenants during term of franchise                 | 8.6, Attachment 5              | No involvement in any Similar Business.                                                                                                                                                                                                                                                                                                                                                                                                        |
| r. Noncompetition covenants after franchise is terminated or expires | 8.6, Attachment 5              | No involvement in Similar Business for 2 years after and either; a) is not subject to California law and within 5 miles of any <b>JUICE IT UP®</b> location or b) is subject to California law, is within 5 miles of any JUICE IT UP location and inherently involves use of Confidential Information or Trade Secrets.                                                                                                                        |
| s. Modification of the agreement                                     | 12.4                           | Modification of agreement only by written agreement of the parties; MANUAL may change from time to time.                                                                                                                                                                                                                                                                                                                                       |



| Provision                                         | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| t. Integration/merger clause                      | 12.6                           | Only the terms of the written Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and written Agreement may not be enforceable.                                                                                                                                                                                                    |
| u. Dispute resolution by arbitration or mediation | 11.1.1                         | We and you must arbitrate all disputes in Orange County, California.                                                                                                                                                                                                                                                                                                                                      |
| v. Choice of forum                                | 11.1.2                         | Orange County, California.                                                                                                                                                                                                                                                                                                                                                                                |
| w. Choice of law                                  | 11.1.2                         | Except for Federal Arbitration Act and other federal law, California law applies, except 1) the provisions respecting non-competition are governed by local law; and 2) Franchise Investment Law applies only if independent jurisdiction exists. You or we are entitled to seek injunction, without posting of bond or showing or proving actual damage, until final determination is made by the court. |

#### AREA DEVELOPMENT AGREEMENT

| Provision                                  | Section in Area Development Agreement | Summary                                                                                                                                                                                                          |
|--------------------------------------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Term of the agreement                   | 3.4.1                                 | Term is the earlier of the term of Area Development Schedule, or until the actual Opening Date for the last scheduled Juice It Up Unit.                                                                          |
| b. Renew or extension of the term          | 4.5.2                                 | No right to renew, but we may negotiate a relatively brief extension in our Business Judgment.                                                                                                                   |
| c. Requirements for you to renew or extend | Not Applicable                        | No right to renew, but we may negotiate a relatively brief extension in our Business Judgment, based on obligations performed, demonstration of financial capability and adherence to Area Development Schedule. |
| d. Termination by you                      | Not Applicable                        | Not Applicable                                                                                                                                                                                                   |

| Provision                                                   | Section in Area Development Agreement | Summary                                                                                                                                                                                                  |
|-------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| e. Termination by franchisor without cause                  | Not Applicable                        | Not Applicable                                                                                                                                                                                           |
| f. Termination by franchisor with cause                     | 8                                     | We may terminate unilaterally only upon uncured or noncurable material event of default.                                                                                                                 |
| g. "Cause" defined - defaults which can be cured            | Not Applicable                        | Not Applicable                                                                                                                                                                                           |
| h. "Cause" defined - defaults which cannot be cured         | 8                                     | Failure to meet Area Development Schedule, failure to make timely payment, attempt to transfer or encumber agreements without written consent or material default of another agreement.                  |
| i. Your obligations on termination/non-renewal              | 8                                     | No further right to develop units in the Development Area.                                                                                                                                               |
| j. Assignment of contract by franchisor                     | 6                                     | We can assign Area Development Agreement without notice to or consent by you.                                                                                                                            |
| k. "Transfer" by you – definition                           | 6                                     | Includes assignment of your interest in agreement or ownership change.                                                                                                                                   |
| l. Franchisor's approval of your transfer                   | 6                                     | We have the right to approve all assignments.                                                                                                                                                            |
| m. Conditions for franchisor's approval or transfer         | 6                                     | We may apply conditions from your most-current Franchise Agreement (see previous Item 17 chart). Transfer must be of all Development Units, transfer fee paid, and all outstanding fees brought current. |
| n. Franchisor's right of first refusal to buy your business | 6                                     | We have the right to match any offer to buy your business.                                                                                                                                               |
| o. Franchisor's option to buy your business                 | Not Applicable                        | Not Applicable                                                                                                                                                                                           |
| p. Your death or disability                                 | Not Applicable                        | Subject to the same terms as contained in any of your Franchise Agreements, at our option.                                                                                                               |
| q. Noncompetition covenants during term of franchise        | 7                                     | No involvement in any Similar Business.                                                                                                                                                                  |

| Provision                                                            | Section in Area Development Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| r. Noncompetition covenants after franchise is terminated or expires | 7 and 10.9                            | No involvement in Similar Business for 2 years after and either a) is not subject to California law and within 5 miles of any <b>JUICE IT UP®</b> location or b) is subject to California law, is within 5 miles of any JUICE IT UP location and inherently involves use of Confidential Information or Trade Secrets.                                                                                                                                                                 |
| s. Modification of the agreement                                     | 10.3                                  | Only by written agreement of parties.                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| t. Integration/merger clause                                         | 10.5                                  | Only the terms of the written Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and written Agreement may not be enforceable.                                                                                                                                                                                                                                                                          |
| u. Dispute resolution by arbitration or mediation                    | 7                                     | We and you must arbitrate all disputes in Orange County, California.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| v. Choice of forum                                                   | 7                                     | Subject to the choice of forum provisions of your Franchise Agreement, namely, Orange County, California.                                                                                                                                                                                                                                                                                                                                                                              |
| w. Choice of law                                                     | 7                                     | Subject to the choice of law provisions of your Franchise Agreement, namely, except for Federal Arbitration Act and other federal law, California law applies, except 1) the provisions respecting non-competition are governed by local law; and 2) Franchise Investment Law applies only if independent jurisdiction exists. You or we are entitled to seek injunction, without posting of bond or showing or proving actual damage, until final determination is made by the court. |

#### ASSET PURCHASE AGREEMENT

| Provision | Section in Asset Purchase Agreement | Summary |
|-----------|-------------------------------------|---------|
|-----------|-------------------------------------|---------|

| Provision                                               | Section in Asset Purchase Agreement | Summary                                                                                           |
|---------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------|
| a. Term of the agreement                                | Not Applicable                      | Not Applicable                                                                                    |
| b. Renew or extension of the term                       | Not Applicable                      | Not Applicable                                                                                    |
| c. Requirements for you to renew or extend              | Not Applicable                      | Not Applicable                                                                                    |
| d. Termination by you                                   | 12.1                                | Loss, damage, or destruction to the Assets.                                                       |
| e. Termination by Seller without cause                  | Not Applicable                      | Not Applicable                                                                                    |
| f. Termination by Seller with cause                     | 12.11                               | Bankruptcy of Buyer.                                                                              |
| g. "Cause" defined - defaults which can be cured        | Not Applicable                      | Not Applicable                                                                                    |
| h. "Cause" defined - defaults which cannot be cured     | 12.11                               | Bankruptcy of Buyer.                                                                              |
| i. Your obligations on termination/non-renewal          | Not Applicable                      | Not Applicable                                                                                    |
| j. Assignment of contract by Seller                     | 11.1                                | No restrictions on Seller's right to transfer; Seller's obligations are terminated upon transfer. |
| k. "Transfer" by you - definition                       | Not Applicable                      | Not Applicable                                                                                    |
| l. Seller's approval of your transfer                   | 11.2                                | Seller has the right to approve all transfers at its sole and absolute discretion.                |
| m. Conditions for Seller's approval or transfer         | Not Applicable                      | Not Applicable                                                                                    |
| n. Seller's right of first refusal to buy your business | Not Applicable                      | Not Applicable                                                                                    |
| o. Seller's option to buy your business                 | Not Applicable                      | Not Applicable                                                                                    |

| Provision                                                            | Section in Asset Purchase Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| p. Your death/ disability                                            | Not Applicable                      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| q. Noncompetition covenants during term                              | Not Applicable                      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| r. Noncompetition covenants after franchise is terminated or expires | Not Applicable                      | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| s. Modification of the agreement                                     | 12.10                               | Agreement may only be modified in writing by all parties.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| t. Integration/merger clause                                         | 12.9                                | Only the terms of the Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Agreement may not be enforceable.                                                                                                                                                                                                                                                                                                           |
| u. Dispute resolution by arbitration or mediation                    | Not Applicable                      | We and you must arbitrate all disputes in Orange County, California.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| v. Choice of forum                                                   | 12.7                                | Subject to the forum selection provisions of your Franchise Agreement, namely, Orange County, California.                                                                                                                                                                                                                                                                                                                                                                              |
| w. Choice of law                                                     | 12.7                                | Subject to the choice of law provisions of your Franchise Agreement, namely, except for Federal Arbitration Act and other federal law, California law applies, except 1) the provisions respecting non-competition are governed by local law; and 2) Franchise Investment Law applies only if independent jurisdiction exists. You or we are entitled to seek injunction, without posting of bond or showing or proving actual damage, until final determination is made by the court. |

## ITEM 18

### PUBLIC FIGURES

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

## ITEM 19

### FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may also be given, but 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.

The following figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the total revenue or total sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

| <u>GROUP</u>          | <u>Number of Units</u><br><u>(1 full year or more)</u> | <u>TOTAL SALES</u><br><u>REVENUE RANGE 2017</u> | <u>AVERAGE UNIT</u><br><u>VOLUME (SALES)</u><br><u>"AUV"</u> | <u>MEDIAN SALES</u><br><u>REVENUE</u> |
|-----------------------|--------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|---------------------------------------|
| Top 20%               | 14                                                     | \$537,478 - \$707,677                           | \$601,141                                                    | \$604,648                             |
| Top 40%               | 28                                                     | \$460,670 - \$707,677                           | \$544,078                                                    | \$479,613                             |
| Top 60%               | 42                                                     | \$385,961 - \$707,677                           | \$501,059                                                    | \$408,498                             |
| Top 80%               | 56                                                     | \$285,374 - \$707,677                           | \$460,494                                                    | \$347,294                             |
| Bottom 20%            | 14                                                     | \$169,930 - \$281,779                           | \$237,046                                                    | \$243,087                             |
| All Traditional Units | 70                                                     | \$169,930 - \$707,677                           | \$415,804                                                    | \$408,498                             |
| Non-Traditional Units | 9                                                      | \$43,665 - 482,728                              | \$251,250                                                    | \$270,478                             |

Notes:

The Table above is based on unaudited reports of Total Sales Revenue ("TSR") collected by us daily from a POS system used by the 70 franchisee-owned Traditional Units that were open a full year as of the end of 2017. These 70 Units are divided into 5 Groups showing the lowest and highest TSR within that Group for Traditional Units open a year or more. The Table also presents the Average Unit Volume of Sales ("AUV") for each Group. The AUV shown for the 5 Groups does not include Non-Traditional Units. The AUV for Non-Traditional Units is presented at the bottom of the chart. The total number of Traditional Units and Non-Traditional Units operating at the end of 2017 equals 86 Units. 7 Units were operated for less than the full year as of the end of 2017 and are not included in the figures above.

With regard to the figures shown in each of the 5 Groups comprised of Traditional Units; there are 14 Units in the Top 20%, with 7 stores above the average of \$601,141 AUV; in the Top 40%, 13 of the 28 stores were above the average of \$544,078 AUV; in the Top 60%, 19 of the 42 stores were above the average of \$501,059 AUV; in the Top 80%, 28 of the 56 stores were above the AUV of \$460,494; and in All Traditional Stores 33 of the 70 stores were above the AUV of \$415,804.

With regard to the figures shown at the bottom of the chart related to AUV for the all Non-Traditional Units; 5 stores of the 9 Non-Traditional Units met or were above the \$251,250 AUV in 2017.

As used herein, "Total Sales Revenue" means the aggregate amount of all sales of Juice It Up! products, other items and services made and rendered in connection with the operation of a Unit including sales made at or away from the premises of such Unit, whether for cash or credit, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority. (This definition differs from and should not be confused with, the definition of Adjusted Gross Sales in the Franchise Agreement.) The Average Unit Volume of Sales is the sum of the Total Sales Revenue for all Units in that Group divided by the number of Units in the Group.

This information does not consider factors such as the geographic location, operator experience, investment costs or market conditions, related to the Units included in any given Group. There is no assurance that future sales will correspond to sales from the last fiscal year or any other particular year. Results will differ widely from one location to another, without respect to their geographic region.

**Some JUICE IT UP® Units have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your Unit prior to signing the Franchise Agreement. We also encourage you to contact existing JUICE IT UP® franchised store operators to discuss their experiences with the System and their store businesses. Notwithstanding the information set forth in this Item 19, existing JUICE IT UP® franchisees are your best source of information about franchised store operations.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make financial performance representations either orally or in writing. If you are purchasing an existing unit, however, we may provide you with the actual records of that unit. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Chief Executive Officer, Chris Braun at 17915 Sky Park Circle, Suite J, Irvine, CA 92614, (949) 475-0146 ext. 202, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION\***

**Table No. 1**

**Systemwide Outlet Summary  
For Years 2015 to 2017**

| Column 1      | Column 2    | Column 3                     | Column 4                   | Column 5   |
|---------------|-------------|------------------------------|----------------------------|------------|
| Outlet Type   | Year        | Outlets at Start of the Year | Outlets at End of the Year | Net Change |
| Franchised    | 2015        | 80                           | 83                         | +3         |
|               | 2016        | 83                           | 87                         | +4         |
|               | 2017        | 87                           | 85                         | -2         |
| Company-Owned | 2015        | 1                            | 0                          | -1         |
|               | 2016        | 0                            | 1                          | +1         |
|               | 2017        | 1                            | 1                          | 0          |
| <b>Totals</b> | <b>2015</b> | <b>81</b>                    | <b>83</b>                  | <b>+2</b>  |
|               | <b>2016</b> | <b>83</b>                    | <b>88</b>                  | <b>+5</b>  |
|               | <b>2017</b> | <b>88</b>                    | <b>86</b>                  | <b>-2</b>  |

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor)  
For Years 2015 to 2017**

| Column 1         | Column 2    | Column 3            |
|------------------|-------------|---------------------|
| State            | Year        | Number of Transfers |
| California       | 2015        | 4                   |
|                  | 2016        | 5                   |
|                  | 2017        | 6                   |
| All Other States | 2015        | 0                   |
|                  | 2016        | 0                   |
|                  | 2017        | 0                   |
| <b>Total</b>     | <b>2015</b> | <b>4</b>            |
|                  | <b>2016</b> | <b>5</b>            |
|                  | <b>2017</b> | <b>6</b>            |

\* As described in Item 1, we became the franchisor of **JUICE IT UP®** Unit franchises in connection with the Transaction that closed in February 2018. For this reason, all year-end numbers appearing in the tables below are as of December 30, 2017, December 31, 2016 and December 27, 2015, respectively, the fiscal year ends of our predecessor, LLJ.



Table No. 3

**Status of Franchised  
Outlets\* For Years  
2015 to 2017**

| Col. 1<br>State     | Col. 2<br>Year | Col. 3<br>Outlets at<br>Start of<br>the Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Termin-<br>ations | Col. 6<br>Non-<br>Renewals | Col. 7<br>Re- acquired<br>by Franchisor | Col. 8<br>Ceased<br>Operations<br><br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year |
|---------------------|----------------|----------------------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------------------------|--------------------------------------------------------|--------------------------------------------|
| Arizona             | 2015           | 1                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 1                                          |
|                     | 2016           | 1                                            | 0                           | 0                           | 0                          | 0                                       | 1                                                      | 0                                          |
|                     | 2017           | 0                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 0                                          |
| California          | 2015           | 77                                           | 5                           | 2                           | 0                          | 0                                       | 4                                                      | 76                                         |
|                     | 2016           | 76                                           | 5                           | 0                           | 0                          | 1                                       | 1                                                      | 79                                         |
|                     | 2017           | 79                                           | 7                           | 0                           | 0                          | 1                                       | 7                                                      | 78                                         |
| New Mexico          | 2015           | 1                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 1                                          |
|                     | 2016           | 1                                            | 1                           | 0                           | 0                          | 0                                       | 0                                                      | 2                                          |
|                     | 2017           | 2                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 2                                          |
| Oregon              | 2015           | 0                                            | 1                           | 0                           | 0                          | 0                                       | 0                                                      | 1                                          |
|                     | 2016           | 1                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 1                                          |
|                     | 2017           | 1                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 1                                          |
| Texas               | 2015           | 1                                            | 3                           | 0                           | 0                          | 0                                       | 0                                                      | 4                                          |
|                     | 2016           | 4                                            | 1                           | 0                           | 0                          | 0                                       | 0                                                      | 5                                          |
|                     | 2017           | 5                                            | 0                           | 0                           | 0                          | 0                                       | 1                                                      | 4                                          |
| All Other<br>States | 2015           | 0                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 0                                          |
|                     | 2016           | 0                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 0                                          |
|                     | 2017           | 0                                            | 0                           | 0                           | 0                          | 0                                       | 0                                                      | 0                                          |
| <b>Totals</b>       | <b>2015</b>    | <b>80</b>                                    | <b>9</b>                    | <b>2</b>                    | <b>0</b>                   | <b>0</b>                                | <b>4</b>                                               | <b>83</b>                                  |
|                     | <b>2016</b>    | <b>83</b>                                    | <b>7</b>                    | <b>0</b>                    | <b>0</b>                   | <b>1</b>                                | <b>2</b>                                               | <b>87</b>                                  |
|                     | <b>2017</b>    | <b>87</b>                                    | <b>7</b>                    | <b>0</b>                    | <b>0</b>                   | <b>1</b>                                | <b>8</b>                                               | <b>85</b>                                  |

\* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

\*\* This chart does not reflect activity involving franchisees who signed Franchise Agreements but never opened a store before the franchise relationship ended.

Table No. 4

**Status of Company-Owned Outlets  
For Years 2015 to 2017**

| Col. 1 State        | Col. 2<br>Year | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Outlets Reacquired<br>from<br>Franchisee | Col. 6<br>Outlets<br>Closed | Col. 7<br>Outlets Sold<br>to<br>Franchisee | Col. 8<br>Outlets at<br>End of the<br>Year |
|---------------------|----------------|------------------------------------------|-----------------------------|----------------------------------------------------|-----------------------------|--------------------------------------------|--------------------------------------------|
| California          | 2015           | 1                                        | 0                           | 0                                                  | 1                           | 0                                          | 0                                          |
|                     | 2016           | 0                                        | 0                           | 1                                                  | 0                           | 0                                          | 1                                          |
|                     | 2017           | 1                                        | 0                           | 1                                                  | 0                           | 1                                          | 1                                          |
| All Other<br>States | 2015           | 0                                        | 0                           | 0                                                  | 0                           | 0                                          | 0                                          |
|                     | 2016           | 0                                        | 0                           | 0                                                  | 0                           | 0                                          | 0                                          |
|                     | 2017           | 0                                        | 0                           | 0                                                  | 0                           | 0                                          | 0                                          |
| <b>Totals</b>       | <b>2015</b>    | <b>1</b>                                 | <b>0</b>                    | <b>0</b>                                           | <b>1</b>                    | <b>0</b>                                   | <b>0</b>                                   |
|                     | <b>2016</b>    | <b>0</b>                                 | <b>0</b>                    | <b>1</b>                                           | <b>0</b>                    | <b>0</b>                                   | <b>1</b>                                   |
|                     | <b>2017</b>    | <b>1</b>                                 | <b>0</b>                    | <b>1</b>                                           | <b>0</b>                    | <b>1</b>                                   | <b>1</b>                                   |

Table No. 5

**Projected Openings as of December 31, 2017**

| State            | Franchise Agreements<br>Signed But Outlet Not<br>Opened | Projected New<br>Franchise Outlets in<br>the Next Fiscal Year | Projected New Company-<br>Owned Outlets in the Next<br>Fiscal Year |
|------------------|---------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|
| California       | 4                                                       | 4                                                             | 0                                                                  |
| Florida          | 3                                                       | 3                                                             | 0                                                                  |
| All Other States | 0                                                       | 0                                                             | 0                                                                  |
| <b>Total</b>     | <b>7</b>                                                | <b>7</b>                                                      | <b>0</b>                                                           |

Exhibit D-1 lists the name of all franchisees as of LLJ's (our predecessor's) most recent fiscal year ended December 30, 2017 and the addresses and telephone number of their Units. Exhibit D-2 lists the name, city and state, and current phone number of all franchises who had an outlet terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during LLJ's (2017 fiscal year or who have not communicated with us or JJL within 10 weeks of the 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.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the **JUICE IT UP®** 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.

We may from time to time request input from a Franchise Advisory Council composed of franchisees that we select to participate with us in strategic planning, communication, and execution of the marketing plans and initiatives to support the **JUICE IT UP®** brand. This is not a decision-making body, but an informal

advisory group to provide us with feedback and input. We currently have no specific contact information for this group. There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this disclosure document.

## **ITEM 21**

### **FINANCIAL STATEMENTS**

The audited opening balance sheet of our Affiliate, SJB Franchise Holdco, LLC ("SJB Franchise Holdco"), as of February 16, 2018, along with SJB Franchise Holdco's Guaranty of Performance, are in Exhibit B. SJB Franchise Holdco has not been in business for three years or more (having been formed in January 2018) and cannot include all the financial statements required by the FTC Rule for its last three fiscal years. Our and SJB Franchise Holdco's fiscal years end on December 29.

## **ITEM 22**

### **CONTRACTS**

| <u>Exhibit</u> | <u>Agreement</u>                         |
|----------------|------------------------------------------|
| C-1            | Franchise Agreement & Attachments        |
| C-2            | Area Development Agreement & Attachments |
| C-4            | Statement of Prospective Franchisee      |
| E              | Asset Purchase Agreement                 |

## **ITEM 23**

### **RECEIPT**

You will find copies of detachable receipt pages in Exhibit G at the very end of this disclosure document.

**EXHIBITS A-1 AND A-2**  
**TO THE DISCLOSURE DOCUMENT**  
**STATE ADMINISTRATORS**  
**AGENTS FOR SERVICE OF PROCESS**

## EXHIBIT A1

### STATE FRANCHISE LAW ADMINISTRATORS

**California:**

Department of Business Oversight One  
Sansome Street, Ste. 600 San Francisco,  
CA 94104

320 West 4th Street, Suite  
750 Los Angeles, CA  
90013-2344

1515 K Street, Suite 200  
Sacramento, CA 95814-4052

1350 Front Street, Room  
2034 San Diego, CA  
92101-4233

1-866-ASK-CORP

**Hawaii:**

Department of Commerce and Consumer  
Affairs  
Business Registration Division 335  
Merchant Street, Room 203  
Honolulu, HI 96813

**Illinois:**

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

**Indiana:**

Indiana Securities  
Division Secretary of  
State  
302 West Washington Street, Room  
E-111 Indianapolis, IN 46204

**Maryland:**

Office of the Attorney General Division of  
Securities  
200 Saint Paul Place Baltimore, MD  
21202-2020

**Michigan:**

Consumer Protection Division  
Michigan Department of Attorney General  
525 W. Ottawa Street  
G. Mennen Williams Building, 1<sup>st</sup>  
Floor Lansing, MI 48913

**Minnesota:**

Minnesota Department of Commerce 85 7th  
Place East, Suite 500  
St. Paul, MN 55101

**New York:**

Office of the New York Attorney General  
Investor Protection Bureau  
120 Broadway, 23rd Floor New York, NY  
10271-0332 (212) 416-8236 (phone)  
(212) 416-6042 (fax)

**North Dakota:**

Office of Securities Commissioner 600 East  
Boulevard, 5th Floor Bismarck, ND 58505

**Oregon:**

Director  
Department of Consumer & Business  
Services Division of Finance & Corporate  
Securities  
P.O. Box 14480  
Salem, Oregon 97309-0405  
(503) 378-4140

**Rhode Island:** Division of Securities 1511

Pontiac Avenue  
John O. Pastore Complex 69-1 Cranston, RI  
02920-4407

**South Dakota:**

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

**Virginia:**

State Corporation  
Commission Division of  
Securities and Retail  
Franchising  
1300 East Main Street, 9<sup>th</sup>  
Floor Richmond, VA 23219

**Washington:**

Department of Financial Institutions  
Securities Division  
P. O. Box 9033  
Olympia, Washington 98507-9033

**Wisconsin:**

State of Wisconsin  
Office of the Commissioner of Securities 201  
West Washington Ave.  
Madison, WI 53703

## EXHIBIT A-2

### AGENTS FOR SERVICE OF PROCESS

The Franchisor has not appointed the agent identified below unless it has registered in that state, as noted on the page following the State Cover page.

**California:**

California Commissioner of Business Oversight  
Department of Business Oversight  
320 West 4th Street, Suite  
750 Los Angeles, CA 90013-  
2344

**Hawaii:**

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

**Illinois:**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

**Indiana:**

Secretary of State  
200 West Washington Street, Rm 201  
Indianapolis, Indiana 46204

**Maryland:**

Securities Commissioner  
200 Saint Paul Place  
Baltimore, Maryland 21202-2020

**Michigan:**

Department of Attorney General's  
Office Consumer Protection Division  
525 W. Ottawa Street  
G. Mennen Williams Building, 1st  
Floor Lansing, Michigan 48913

**Minnesota:**

Commissioner of  
Commerce 85 7th Place E.  
St. Paul, MN 55101

**New York:**

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

**North Dakota:** Commissioner of  
Securities 600 East Blvd., 5th Floor  
Bismarck, North Dakota 58505

**Rhode Island:**

Director of Business Regulation Division  
of Securities  
John O. Pastore Complex 69-1 1511  
Pontiac Avenue  
Cranston, RI 02920

**South Dakota:**

Director  
Securities Division  
124 S. Euclid, Suite 104 Pierre, South  
Dakota 57501

**Virginia:**

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

**Washington:**

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road SW Tumwater, WA  
98501

**Wisconsin:**

Administrator  
Department of Financial Institutions  
Division of Securities  
201 West Washington Ave. Madison,  
Wisconsin 53703

**EXHIBIT C-1**  
**TO THE DISCLOSURE DOCUMENT**  
**FRANCHISE AGREEMENT**





**JUICE IT UP® FRANCHISE AGREEMENT**

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ATTACHMENTS:

1. Accepted Location
2. Electronic Funds Transfer Agreement
3. Collateral Assignment of Lease
4. Conditional Assignment of Telephone Numbers, E-Mail Addresses and URLs
5. Nondisclosure and Noncompetition Agreement
6. Personal Guaranty and Subordination Agreement
7. Terms of Use – Juice Net Website
8. General Releasing Language
9. SBA Addendum

**JUICE IT UP®**  
**FRANCHISE AGREEMENT**

**1. PARTIES**

This Franchise Agreement (this "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Effective Date"), by and between SJB Brands, LLC ("**SJB**," "**we**," "**our**," "**us**" or "**Franchisor**"), a Delaware limited liability company with its principal office in Irvine, California, and \_\_\_\_\_ [franchisee's name or legal entity name] ("**you**," "**your**" or "**Franchisee**" as defined in Section 3.34 below).

**2. RECITALS**

**2.1. Ownership of Marks and System**

We own certain intellectual property rights, including the trademark "**JUICE IT UP®**," and other Marks. We have spent a considerable amount of money, time, and effort, to construct, and continue to develop business methods, technical knowledge, and marketing concepts, including proprietary recipes, trade secrets, commercial ideas, administrative procedures, information on sources of supply, supply contracts, marketing strategies, business forms, advertising materials, distinctive signs, trade dress, uniforms, and owner/employee training techniques that, taken together, comprise a proprietary System for the operation of juice bars featuring fresh-squeezed raw fruit and vegetable juices, delicious real fruit and vegetable smoothies and smoothie bowls, superfruit bowls made with açai and pitaya, fresh baked pretzels, sandwiches, soups, oatmeal, hot and cold herbal fruit teas, dairy and non-dairy yogurt products, hot teas and coffee, as well as other approved beverages and snacks for the health-conscious consumer, including vegan, vegetarian, dairy-free and gluten-free options.

**2.2. Objectives of Parties**

You desire to become part of our team of franchisees, understanding that, as a **JUICE IT UP** franchisee, it is critical that you operate your **JUICE IT UP** Unit in strict compliance with our System Standards and fulfill your obligations under this Agreement as they may change from time to time. You hereby acknowledge and agree that without this commitment from you, we would not enter into this Agreement with you.

**3. DEFINITIONS**

To simplify this Agreement, we have defined certain terms in this Article 3. When you see a capitalized word, or if you do not understand the meaning of a particular pronoun reference, refer to this Article 3 to see whether the term has been defined. Capitalized words that are not defined in this Article 3 are defined in the article or section in which they first appear.

**3.1. Accepted Location**

"**Accepted Location**" means a location that SJB has accepted based upon our then current guidelines and standards in writing as a site at which you may own and operate a **JUICE IT UP** Unit.

**3.2. Adjusted Gross Sales**

"**Adjusted Gross Sales**" means the total amount of revenues which are or could be charged, received or earned by you and your Franchisee Related Parties for all goods sold and services now or in the future rendered from the Accepted Location or in connection with the Trade Name or Marks, whether evidenced by

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cash, services, property, barter, or other means of exchange, and whether or not we offer such services or products in our other locations, including: (a) revenues from sales of any nature or kind whatsoever, derived by you and your Franchisee Related Parties; (b) sales of Promotional Items in contravention of this Agreement at the Accepted Location or at locations other than at the Accepted Location; (c) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible; (d) sales from vending devices including pay telephones; (e) mail or telephone orders received or filled in or from the **JUICE IT UP** Unit; (f) orders taken in or from the **JUICE IT UP** Unit although filled elsewhere, including products produced at the Accepted Location and sold off-site; and (g) of or relating to a Similar Business; (h) with respect to any tenants and/or subtenants of yours on the premises (including rent and other lease payments); and/or (i) with respect to any co-branding activities.

Notwithstanding the foregoing, "Adjusted Gross Sales" shall exclude the amount of actual, bona fide refunds paid to customers, the amount of any state or local sales or use tax actually paid by you and sales of fixtures or other capital items you sell after use thereof in the operation of the **JUICE IT UP** Unit. All sales and/or billings, whether collected or not, will be included in Adjusted Gross Sales, with no deduction for credit card or other charges.

### **3.3. Agreement**

"The Agreement" or "this Agreement" means this Franchise Agreement.

### **3.4. Business Judgment**

"Business Judgment" means that we are allowed to exercise our judgment however we consider appropriate in our Business Judgment, without any limitation. You and we agree that when in this Agreement we describe instances in which we may exercise Business Judgment, we must and do have the unrestricted right to make decisions and/or take (or refrain from taking) actions. We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of franchisees. You understand and agree that the exercise of Business Judgment is critical to our role as Franchisor of the System and to our goals for its continuing development. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

### **3.5. Confidential Information**

"Confidential Information" means technical and non-technical information designated by SJB for use in or related to a JUICE IT UP! franchised business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified or labeled as confidential when delivered by SJB, business layouts and facility specifications; recipes and formulas; food and any food preparation techniques; training materials and manuals, facility and other drawings and designs; and information regarding customers and suppliers, including any statistical and/or financial information and all related lists. Exclusions; "Confidential Information" is not intended to include any information that:

- i) is or subsequently becomes publicly available other than by Franchisee or Franchisee Owner's breach of any obligation;
- ii) was known by Franchisee or any Owner prior to Franchisee becoming a JUICE IT UP! franchisee;
- iii) became known to Franchisee or any Owner other than through a breach by Franchisee or any Owner of a legal obligation; or



iv) is independently developed by Franchisee unrelated to its JUICE IT UP! Franchise operations.

Franchisee's only interest in any of the Confidential Information or in any Trade Secret is the right to use it pursuant to this Agreement.

### **3.6. Crisis Management Event**

"**Crisis Management Event**" means any event that occurs at, or related to, the **JUICE IT UP** Unit that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may adversely affect you, the Franchised Business, the System, Marks, image or reputation of **JUICE IT UP** Units, the Franchise Network, us or our Franchisor Related Parties.

### **3.7. Designated Manager**

"**Designated Manager**" means the general manager of the **JUICE IT UP** Unit.

### **3.8. Entity**

"**Entity**" means any limited liability company, Partnership, trust, association, corporation or other entity which is not an individual.

### **3.9. Equity**

"**Equity**" means capital stock, membership interests, Partnership Rights, or other equity ownership interests of an Entity.

### **3.10. Force Majeure**

"**Force Majeure**" means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, riot, terrorism, or other civil disturbance; epidemics; or other unforeseeable forces which you could not by the exercise of due diligence have avoided, *provided however*, that (a) you must use all commercially reasonable efforts to mitigate the effect of the event of Force Majeure upon your performance and to fulfill your obligations under this Agreement, and upon completion of the event of Force Majeure, you must as soon as reasonably practicable recommence the performance of your obligations under this Agreement, and (b) neither an act or failure to act by a governmental authority (*i.e.* Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities), nor the performance, non-performance or exercise of rights under any agreement with you by any lender, contractor, landlord, or other person (other than us) shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, your financial inability to perform or your insolvency shall not be an event of Force Majeure hereunder.

### **3.11. Franchise Network**

"**Franchise Network**" means the interdependent network composed of SJB, all SJB franchisees, SJB's Related Parties, and any other people or business entities that SJB has licensed to use the Trade Name, Marks, System or any of them.

### **3.12. Franchised Business**

“Franchised Business” means of or related to the business operations conducted by, at or in connection with your Juice It Up franchise.

### **3.13. Franchisee Related Party**

“Franchisee Related Party” or “Franchisee Related Parties” means people and companies affiliated with you, including, your direct or indirect Owners.

### **3.14. Franchisor Related Party/ies**

“Franchisor Related Party/ies” means SJB Brands, LLC and each and all of the following, whether past, current and/or future: each and all company(ies) and/or person(s) acting through, in concert with us and/or any of the foregoing, and/or as Affiliates of ours and/or of any of the foregoing; each and all of the Affiliates, partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of us and/or any of the foregoing; and each and all of the predecessors, successors and/or assigns of us and/or any of the foregoing.

### **3.15. General Release**

“General Release” means a form of release agreement that will include the Franchisor’s then current releasing language. The releasing language current as of the date of this Agreement is attached hereto as Attachment 8.

### **3.16. Good Standing**

“Good Standing” means you (and each of your owners and Affiliates) are not in default of any obligation to us and/or any of the Franchisor Related Parties and/or the advertising Fund, whether arising under this Agreement or any other agreement between you (and each of your owners and Affiliates) and us (and/or any of the Franchisor Related Parties and/or the advertising Fund), the Manual or other System requirements (collectively, the “Obligations”); provided that you are not in Good Standing if you have been in default of any Obligations and such defaults are incurable by nature and/or part of a series of repeated defaults as defined in this Agreement.

### **3.17. Juice It Up® Unit, Traditional Unit or Unit**

“Juice It Up® Unit,” “Traditional Unit” or “Unit” means a full-size, “brick and mortar” physical location that we have authorized you to develop and operate using the Trade Name, Marks and System at the Accepted Location specified under this Agreement.

### **3.18. Juice Net Website**

“Juice Net” website means the intranet web site utilized, from time to time, by us to facilitate communications with you and other franchisees and licensees of ours and through which we may disseminate the Manual, disseminate updates to the Manual, disseminate advertising and marketing materials, conduct promotions, and communicate and conduct other matters.

### **3.19. Manual**

“Manual” means, collectively, the operations manual any other manual or suggested or mandatory guidelines that contain information, forms and requirements for the establishment and operation of a JUICE IT

UP Unit and for use of our Trade Name and Marks, as amended from time to time, that we will lend to you during the term of this Agreement.

### **3.20. Marks**

"Marks" means the trademarks, service marks and other commercial symbols now and/or in the future owned by (or licensed to) us to identify the services and/or products offered by Juice It Up® Units, including (but not limited to) "Juice It Up®," the Trade Dress and other logos and identifiers designated by us from time to time.

### **3.21. Non-Traditional Unit**

As used in this Agreement, "Non-Traditional Unit" means a location or Unit located within another primary business or in conjunction with other businesses or at institutional settings, including, toll roads, hotels and motels, casinos, airports, sports arena, stadiums, train stations, casinos, theme parks, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, kiosks, food trucks or units in shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

### **3.22. Owner**

"Owner" means any direct or indirect shareholder, member, general or limited partner, trustee, or other equity owner of an Entity, except, that if we or any of our Franchisor Related Parties has any ownership interest in you, the term "Owner" shall not include or refer to us or that Franchisor Related Party or their respective direct and indirect parents and subsidiaries, and no obligation or restriction upon "you", or your Owners shall bind us, or said Franchisor Related Parties or their respective direct and indirect parents and subsidiaries or their respective officers, directors, or managers.

### **3.23. Partnership**

"Partnership" means any general partnership, limited partnership, or limited liability partnership.

### **3.24. Partnership Rights**

"Partnership Rights" means voting power, property, profits or losses, or partnership interests of a Partnership.

### **3.25. Promotional Item**

"Promotional Item" means any product that has been prepared or manufactured in accordance with SJB's secret recipes or specifications or that has been packaged or labeled with any of the Marks.

### **3.26. Similar Business**

"Similar Business" - Any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are the same or substantially similar to those goods, products and/or services now or in the future authorized by us to be offered at or from Juice It Up® locations (including any such enterprise and/or Entity awarding franchises or licenses to operate or be involved with any such business). Our receipt of any royalties with respect to any Similar Business is not an approval of your involvement with any Similar Business.

### **3.27. Start Date**

**"Start Date"** means the earlier of (a) one hundred eighty (180) days following the date after the date your landlord delivers possession of the Accepted Location to you, if you lease the Accepted Location, or the date you take possession of the Accepted Location, if you own the fee simple title to the Accepted Location; or (b) the date when your **JUICE IT UP** Unit opens. The Start Date may be extended only with our prior written consent.

### **3.28. System**

**"System"** means the business methods, technical knowledge and marketing concepts licensed by SJB to you under this Agreement and as described in the Manual, including the right to use SJB's Marks, Trade Secrets, Confidential Information, copyrights, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and employee training techniques. For avoidance of doubt, neither the System nor any Manual shall mandate personnel policies or procedures for you to establish in your Franchised Business, including those relating to hiring, firing, discipline, wages, scheduling and other terms and conditions of employment for your employees and contractors. You are solely responsible for establishing such policies and procedures, for managing and supervising your staff and for compliance with wage and hours laws, workers compensation laws and other laws and regulations relating to your employees and their employment.

### **3.29. Termination**

**"Termination"** means expiration of the term stated in this Agreement; non-renewal of this Agreement; or termination, under the circumstances described in Article 10 of this Agreement, of this Agreement before the stated expiration date.

### **3.30. Trade Name**

**"Trade Name"** means the commercial name **"JUICE IT UP"**.

### **3.31. Trade Secrets**

**"Trade Secrets"** for purposes of this Agreement, means any proprietary information, including a formula, pattern, compilation, program, recipe, product formulation, conceptual material, device, drawing, design plan, proposal, marketing plan, financial data, financial plan, business form, order information, material cost information, manual or instructional material, product plan, password, customer or suppliers list, knowledge, technique, process or information made known or available to Franchisee; that are not commonly known by or available to the public and that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

### **3.32. Transfer**

**"Transfer"** means any direct or indirect sale, assignment, transfer, gift, pledge, mortgage, encumbrance, or other change in ownership of all or any part of the rights and obligations: (a) of this Agreement, (b) of or all or any substantial portion of the assets of the **JUICE IT UP** Unit, including the lease for the Accepted Location, or (c) of an ownership interest in you of a magnitude at least as great as that described in this Section. If you are an Entity, each of the following shall be deemed to be a Transfer: (a) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than 25% in the aggregate, whether in one or more transactions, of the Equity or voting power of you, by operation of law or

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otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of you; (b) the issuance of any securities by you which itself or in combination with any other transaction(s) results in its Owners, as constituted on the Effective Date, owning less than 75% of the outstanding Equity or voting power of you; (c) if you are a Partnership, the resignation, removal, withdrawal, death or legal incapacity of a general partner or of any limited partner owning more than 25% of the Partnership Rights of the Partnership, or the admission of any additional general partner, or the transfer by any general partner of any of its Partnership Rights in the Partnership, or any change in the ownership or control of any general partner; (d) the death or legal incapacity of any of your Owners owning more than 25% of your Equity; and (e) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of your, however effected. If you are an Entity, you must promptly provide us with written notice (stating such information as we may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in you, notwithstanding that the same may not constitute a "Transfer."

### **3.33. Us, We, Our or Franchisor**

"Us," "We," "Our" or "Franchisor" means SJB Brands, LLC, a Delaware limited liability company and/or any successor in interest.

### **3.34. You, Your or Franchisee**

"You", "your" or "Franchisee" means the person(s) or Entity that is/are named as "you" in Article 1 of this Agreement." "You" means, in addition, all individual(s) or Entities that succeed to your (or its) interest by Transfer or operation of law. If more than one Franchisee signs this Agreement, each is jointly and severally obligated under this Agreement and all other agreements with us, the Franchisor Related Parties and/or the Marketing Fund.

## **4. GRANT OF FRANCHISE**

### **4.1. Granting Clause: No Sublicensing Rights**

#### **4.1.1. Grant**

We grant to you, and you accept from us, a franchise and license to operate a "JUICE IT UP" Unit under the Trade Name, Marks and using the Manual and System in accordance, and in full compliance, with the Manual and terms of this Agreement.

#### **4.1.2. No Sublicensing Rights**

You shall not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the JUICE IT UP Unit or to use the Trade Name, Marks and System granted pursuant to this Agreement.

### **4.2. Location of the Franchised Unit**

#### **4.2.1. Location**

Your Traditional Unit must be located at the Accepted Location. You may not establish your retail business premises at any other site, engage in business activities at any other site, or engage in mail order, Internet, catalog sales or in any other alternative channel of distribution, including wholesale activities; all such distribution channels being hereby expressly reserved to us. Without limiting the generality of the foregoing, we reserve all rights to operate any Non-Traditional Unit and you may not operate any permanent or temporary mobile vending vehicle, grab 'n go case, kiosk, cart or any other form of distribution without our prior written

consent, for which we may require that you execute other appropriate documents including a general release and/or satisfy other conditions necessary before the acquisition by you of such rights.

#### 4.2.2. Rights Reserved

We and/or our Affiliate hereby reserve all rights in the Trade Name, Marks, Manual and System not expressly granted in this Agreement, including the exclusive, unrestricted rights, in our Business Judgment, directly and indirectly, for us and/or through our employees, Franchisor Related Parties, representatives, franchisees, licensees, assigns, agents and others to:

- (a) locate or relocate any company-owned or franchised **JUICE IT UP** Unit to any site regardless of how close the site is to one or more of your Units; and
- (b) own or operate, and to license others (which may include our Franchisor Related Parties) to own and/or operate (i) Units under the Trade Name and Marks and/or using the System at any location regardless of how close the site is to one or more of your Units; (ii) businesses, including Units, operating under names other than the Trade Name, at any location, and of any type whatsoever, regardless of their proximity to the Unit developed pursuant hereto;
- (c) produce, license, distribute and market foods and other products bearing the Marks (or any of them), including Promotional Items, pre-packaged juices, smoothies, supplements, snacks and other food and beverage products; books; clothing; souvenirs and novelty items; through any outlet (regardless of its proximity to the Unit opened pursuant hereto), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and through other distributors and distribution methods; and to advertise and promote the System through any means, including the Internet;
- (d) acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, including arrangements in which we (and/or any of the Franchisor Related Parties) are acquired, and/or company-owned, franchised or other businesses (including your Juice It Up® Unit) are converted to another format, maintained under the Juice It Up® System or otherwise. The Juice It Up® Unit awarded to you will fully participate in any conversion subject to any person/Entity merging with, or acquiring us, reimbursing you for reasonable costs directly related to the conversion; and
- (e) offer/provide products and services similar to those offered by your Unit through the Internet, World Wide Web and/or other similar venues no matter where the customer is located.

#### 4.2.3. Relocation

You may not relocate the **JUICE IT UP** Unit without our prior written consent, and payment of the relocation fee required by Section 6.9 of this Agreement. If we consent to any relocation, you must de-identify the former location in the manner described in this Agreement with respect to your obligations upon termination and expiration, and shall reimburse and indemnify and hold us harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of your failure to do so.

### **4.3. Term and Renewal**

#### **4.3.1. Term**

If this is an initial franchise, the term of this Agreement will begin on the Effective Date and will continue until the tenth (10th) anniversary of the Start Date. If this is a renewal franchise, the term of this Agreement will begin on the expiration date of the immediately preceding term and will continue for five (5) years, as discussed in Section 4.3.2, below, and unless sooner terminated in accordance with this Agreement.

#### **4.3.2. Renewal**

You will have the right to enter into a new franchise agreement on our then-current form of "**JUICE IT UP**" franchise agreement (with the exception that the term of such franchise agreement will be limited to a 5 (five) year period and which franchise agreement shall likewise grant you the right to enter into one additional franchise agreement for a similarly limited 5 (five) year period ("**Renewal Right**"), in each case, if you have notified us in writing at least one hundred eighty (180) days before the expiration date of this Agreement of your intent to exercise your Renewal Right AND each of the following conditions is fulfilled:

- (a) You are in Good Standing under this Agreement, any other Agreement between you and any Franchisor Related Party and have paid us a renewal fee equal to twenty-five percent (25%) of the Initial Franchise Fee set forth in Section 6.1 of this Agreement;
- (b) You and any Franchisee Related Parties that have signed this Agreement have signed a new franchise agreement on the then-current form being offered by us (modified to reflect your then remaining renewal rights, if any) not less than thirty (30) days before the expiration of this Agreement or thirty (30) days after you receive a copy of the new franchise agreement from SJB, whichever is later unless we permit otherwise in our Business Judgment. Any such permission must be in writing and signed by us;
- (c) You have, before commencement of the renewal term, at your own expense, remodeled, modernized and redecorated the **JUICE IT UP** Unit premises and replaced and modernized the fixtures, equipment, and signs used in the **JUICE IT UP** Unit so that the premises of the **JUICE IT UP** Unit meet the standards of appearance and function applicable to the premises of new **JUICE IT UP** Units at the time of renewal;
- (d) You and any Franchisee Related Parties that are parties to an agreement with us have signed a General Release of known and unknown claims in a form satisfactory to us with respect to past dealings with us and our Franchisor Related Parties;
- (e) You have renewed or have the right to renew the lease for the Accepted Location, and have provided us with a copy of the documents evidencing such renewal right or right to renew the lease; and
- (f) Without limiting the generality of Section 4.3.2(a), you shall not have committed two (2) or more material breaches of this Agreement, for which SJB shall have delivered a notice of default, whether or not such default was cured, during the twelve (12) month period immediately preceding the date on which you provide notice to SJB of your intent to renew.

You understand that the provisions of the Juice It Up® franchise agreement in use at the time of any renewal may be materially different from those contained in this Agreement, including, increased royalties and advertising fees. You understand that your right to renew will be contingent upon your acceptance of the new

terms. The term of each franchise agreement shall commence upon the date of expiration of the immediately preceding term, as applicable.

#### 4.3.3. Notice Required by Law

If applicable law requires us to give notice to you prior to the expiration of the term, this Agreement shall remain in effect on a week to week basis until we have given the notice required by such applicable law. If we are not offering new franchises, are in the process of revising, amending or renewing our form of franchise agreement or franchise disclosure document, or are not lawfully able to offer you a franchise agreement, at the time you deliver your notice exercising your Renewal Right, we may, at our option and in our Business Judgment, (a) offer to renew this Agreement upon the same terms set forth herein for a renewal term determined in accordance with Section 4.3.2 of this Agreement, or (b) offer to extend the term hereof on a week to week basis following the expiration of the term hereof for as long as we deem necessary or appropriate so that we may lawfully offer you a franchise agreement.

### 5. **SERVICES TO FRANCHISEE**

We will perform the following services provided that you are, at the time when service is to be rendered, in Good Standing under this Agreement.

#### 5.1. **The Training Program**

##### 5.1.1. Orientation Program

Before opening your **JUICE IT UP** Unit, we will conduct a mandatory orientation program ("**Orientation Program**") at our corporate offices or another location designated by us. Such training shall consist of approximately eight (8) hours of introductory training and orientation to the System. You must attend the Orientation Program. We will not provide you with the Orientation Program if you are an assignee of this Agreement and the Transfer to you is made in accordance with this Agreement. We will lend you one copy of the training materials used in the Orientation Program, including our "Orientation Manual."

##### 5.1.2. Initial Training Program

Before opening your **JUICE IT UP** Unit, SJB will conduct a mandatory Initial Training Program ("**ITP**") at a location designated by us. Such training shall consist of approximately fifty (50) hours of training in the operation of the **JUICE IT UP** Unit under the **JUICE IT UP** System for your management, including local store marketing techniques, and basic accounting requirements to maximize store profit. You and your Designated Manager, if different, and not more than one (1) additional individual that will serve as a back-up manager at the **JUICE IT UP** Unit must attend, participate in, and successfully complete the ITP to our satisfaction before you may open the **JUICE IT UP** Unit.

##### 5.1.3. On the Job Training Program

SJB will send a representative to your place of business for a total of approximately fifty- (50) hours over a period of five to six (5-6) days, to assist you with setting up, opening, and conducting the On the Job Training ("**OJT**") for you and your management staff. You and your Designated Manager must be present during the entire OJT training. If you are a legal Entity, one of your owners acceptable to us must participate in the OJT training. The SJB Training representative(s) will serve only as consultants to you and will in no way be responsible (personally or on behalf of you) for the operation of the **JUICE IT UP** Unit or the actions of your officers, agents or employees during this time.



The OJT training will involve certain aspects of store operations including, but not limited to "early morning" store opening procedures, and "end-of-the-day" store closing and clean-up procedures. Should we determine that you or your Designated Manager, or any other person attending training, has failed to successfully complete the OJT training, or any aspect of any other training we provide, we may require you, your Designated Manager and/or such other person to undergo further training or "re-training." If you, your Designated Manager and/or such other person are required to undergo further training or "re-training" then you shall pay our then-current fees for such training.

## **5.2. Designated and Approved Suppliers**

SJB will, from time to time, give you, in the Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that currently meet SJB's standards and specifications. These may be "designated suppliers" from which you are required to purchase certain types of goods or services or "approved suppliers" from whom you may purchase certain types of goods or services. In advising you of designated and approved suppliers, **SJB expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose.** You agree to look solely to the manufacturer of goods or the supplier of services for the remedy for any defect in the goods or services. We may notify designated suppliers or approved suppliers of any impending termination or expiration of this Agreement and may, among other things, instruct such suppliers to deliver only such quantity of goods and services as is reasonably necessary to supply your needs prior to the expiration or termination date of this Agreement.

## **5.3. Consultation**

We will use commercially reasonable efforts to make our personnel available to you for consultation throughout the term of the Franchise Agreement in a timely manner. Our consultation may include matters involving the operation of the **JUICE IT UP** Unit. Our staff provides this additional support on an "as available" basis, and our consultation may be rendered orally, in writing and/or through the Juice Net website.

## **5.4. Advertising**

### **5.4.1. Advertising Fund**

We will administer the advertising fund (the "**Fund**"), which will be kept in a separate bank account. Nothing herein shall be deemed to create a trust or fiduciary relationship related to the Fund. The purpose of the Fund is to pool advertising money of our franchisees, and, subject to this section, we and our Franchisor Related Parties that operate **JUICE IT UP** Units to promote the Trade Name, Marks and System. We and each of our Franchisor Related Parties that operate **JUICE IT UP** Units in the United States may (and currently do) contribute to the Fund in such amounts as we (or it or they) elect. If we or any of our Franchisor Related Parties contribute money to the Fund, we or such Franchisor Related Parties may from time to time cease contributing to the Fund or vary the amount we (or it or they) contribute to the Fund. The Fund may be used to pay for market research, advertising materials, media space and time, a referral program, a website, agency fees, or any combination of the foregoing. The Fund may also be used for advertising grants to franchisees, collectively on a regional basis or individually on a local basis. In addition, the Fund may be used to pay for point-of-purchase materials or public relations projects. We may compensate ourselves and our Franchisor Related Parties from the Fund for overhead, including salaries of marketing, administrative or other appropriate personnel and other expenses incurred in connection with our implementation of the Fund. We will distribute to our franchisees, once a year, a Fund report which will set out the total amounts of money collected and spent from the Fund during the past year and list, by general category, the manner in which the money was spent. We (or our Franchisor Related Parties) may collect rebates, credits and/or

other fees from suppliers based on your purchases or sales and we may keep or use those amounts without restriction and for any purpose we and our affiliates deem appropriate. Any such contribution of such rebates or credits to the Fund shall not reduce your obligation to pay all advertising fees. You acknowledge that not all of our other franchisees or licensees are or shall be required to contribute, or contribute the same percentage of Adjusted Gross Sales, to the Fund.

#### 5.4.2. Allocation of Expenditures; Expenditures

We will give preference to regional Advertising Fund projects, but may make allocations of Advertising Fund money to individual franchisees when we consider it desirable. Because the benefits of advertising, marketing, and promotion are difficult to measure with precision, we reserve the unqualified right to determine, in our Business Judgment, how advertising Fund money may be spent; the only condition is that the money must be used in a manner that is reasonably related to the general promotion of the Trade Name and Marks.

If less than the total of all contributions and allocations to the Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. SJB may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year and may cause the Fund to borrow funds to cover deficits or invest surplus funds. If we advance money to the Fund, we will be entitled to be reimbursed for such advances.

#### **5.5. Co-op Advertising**

We may from time to time establish regions for co-operative advertising ("**Co-op Advertising Regions**"), to coordinate advertising, marketing efforts and programs and maximize the efficient use of local and/or regional advertising media. If and when we create a Co-op Advertising Region for the region in which your **JUICE IT UP** Unit is located, you shall become a subscriber and member thereof and shall execute and participate in accordance with the Subscription Agreement and the Certificate of Incorporation and Bylaws of such Co-op Advertising Region on the forms prescribed by us. You recognize and agree that we may not have the contractual authority to require other franchisees in the region to participate in your Co-Op Advertising Region, but we will encourage all franchisees with **JUICE IT UP** Units in the area to participate. The size and content of such regions, when and if established by us, shall be binding upon you and all other similarly situated franchisees in the region if we have the contractual authority to bind such other franchisees. At all meetings of such Co-op Advertising Region each participating franchisee shall be entitled to one vote for each **JUICE IT UP** Unit located within such Co-op Advertising Region or such other vote as may reasonably be determined by us.

You and other members of the Co-op Advertising Region, whose agreements require their participation (or those franchisees that elect to participate in the Co-op Advertising Region, if their agreements do not require their participation), will contribute to the Co-op Advertising Region such amount as may be determined by vote of the Co-op Advertising Region (not to exceed one and one-half percent (1.5%) of the Adjusted Gross Sales of each member's **JUICE IT UP** Unit located in the region), subject to our written approval. Your contribution to the Co-op Advertising Region shall be credited toward your satisfaction of your local advertising requirements stated herein, but are separate and distinct from and will not be considered as or credited toward your Marketing Fund contribution obligations as described herein.

Subject to the forgoing, each Co-op Advertising Region will decide as to the usage of funds available to it for media time, production of media materials, whether for radio, television, newspapers or **JUICE IT UP** Unit level materials such as flyers, or posters, or for any other type of advertising or marketing use, and then such Co-op Advertising Region shall in writing request approval from us to use said funds in said manner. SJB shall not withhold approval unreasonably, but no placement of advertising or commitment of advertising funds on behalf of any Co-op Advertising Region will be made without our prior written approval. We reserve the right to

establish general standards concerning the operation of the Co-op Advertising Region, advertising agencies retained by Co-op Advertising Region, and advertising programs conducted by Co-op Advertising Region. Any disputes (other than pricing) arising among or between you, other franchisees, and/or the Co-op Advertising Region may be resolved by us which decision shall be final and binding on all parties.

We and our Franchisor Related Parties may, but are not required to, participate (and become a member of) any or all Co-op Advertising Regions. If we or any of our Franchisor Related Parties participate or become a member of any or all Co-op Advertising Regions, we and our Franchisor Related Parties, as applicable, will have one vote for each **JUICE IT UP** Unit we or our Franchisor Related Parties, as the case may be, located within the applicable Co-op Advertising Region. We and our Franchisor Related Parties that participate (if any) in a Co-op Advertising Region may withdraw from such Co-op Advertising Region at any time.

#### **5.6. Franchise Advisory Council**

There is presently a "Franchise Advisory Council" or "FAC" composed of franchisees that we select to participate with us in planning, communication, and execution of the marketing and advertising plans and initiatives to support the **JUICE IT UP®** brand. The FAC exists solely at the discretion of Franchisor. Decisions by this FAC are not binding upon Franchisor. We may choose to regulate the FAC in the future, and can appoint at least one (1) representative of ours to participate in all FAC meetings and any other FAC activities. While we are not required to do so, if we submit any matters for approval to a FAC and approval is granted, the approval will be binding on you.

#### **5.7. Annual and Semi-Annual Conventions**

Annually, we may conduct a convention for our franchisees. If we conduct an "annual convention," we will endeavor to provide you with at least four (4) weeks prior notice of the dates and location of the "annual convention." You must register and attend the entire convention at your expense. We may charge a registration fee for each person registered to attend the "annual convention" in an amount we reasonably estimate to be necessary to allow us to recoup our costs for organizing and conducting the "annual convention." If you fail to attend an "annual convention" we may charge you up to \$500 for such failure. If you are an Entity, we may require one of your owners acceptable to us to attend the "annual convention." If we conduct a "semi-annual" or regional franchisee meeting or convention, although you are encouraged to attend, you will not be required to attend.

#### **5.8. Proprietary Products and Promotional Items Availability**

We will use our commercially reasonable efforts to ensure that we, our Franchisor Related Party, or a designated supplier will at all times have a supply of Proprietary Products and Promotional Items for sale to you.

### **6. PAYMENTS BY FRANCHISEE**

#### **6.1. Initial Franchise Fee**

When you sign this Agreement, you will pay SJB in cash or other immediately accessible funds such as a cashier's check or wire transfer, an initial franchise fee of \$\_\_\_\_\_. The initial fee is not refundable.

#### **6.2. Royalties**

On Wednesday of each week during the term of this Agreement, or on another day designated by us, you will pay us or our Affiliate a weekly royalty in an amount which is **the greater of** (i) six percent (6%) of Adjusted Gross Sales for the immediately preceding week or (ii) a minimum royalty of Two Hundred Dollars

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(\$200) per week. In addition, if you have not opened the **JUICE IT UP** Unit by the Start Date, then you will pay us the minimum royalty of Two Hundred Dollars (\$200) for each week (or part thereof) following the Start Date that the **JUICE IT UP** Unit fails to open. Our acceptance of such Two Hundred Dollar (\$200) fee, or any other fees paid by you, is not a waiver of any default by you, or our acquiescence to your failure to open the **JUICE IT UP** Unit by the Start Date. For purposes of this paragraph, payment is deemed made on the day such funds are accessible to us.

### **6.3. Advertising Fees**

On Wednesday of each week during the term of this Agreement, or on another day designated by us, you will pay us or our Affiliate a weekly advertising fee of **the greater of** (i) two percent (2%) of Adjusted Gross Sales for the immediately preceding week or (ii) an advertising fee of Sixty Five Dollars (\$65) per week. Advertising fees will be deposited in the Fund. For purposes of this paragraph, payment is deemed made on the day such funds paid are accessible to us.

### **6.4. When Payments Begin**

Your obligation to pay ongoing weekly royalties and advertising fees begins on the Start Date of this Agreement.

### **6.5. Audit**

We and our representatives will have the right during normal working hours to audit your books and records, including your tax returns, with respect to the **JUICE IT UP** Unit. If an audit discloses an underpayment of royalties or advertising fees payable under this Agreement, you will immediately pay these amounts to us together with accrued interest on the amount underpaid in accordance with Section 6.10 of this Agreement. If the underpayment exceeds three percent (3%) of the total royalty or advertising fee payable for any period covered under the audit, you must reimburse us for all expenses we incur in connection with the audit. If there is a seven percent (7%) or greater discrepancy, or if intentional underreporting of any amount has occurred, your rights in this Agreement may be terminated.

### **6.6. Training Costs**

We do not charge for the initial Orientation Program, ITP and OJT Training provided pursuant to Section 5.1. You will be charged our then-current fees for all other training we provide to you. If you, your Designated Manager, or any other person attending training pursuant to Section 5.1 fails to successfully complete such training, then you must pay us our then-current fees for any and all additional or "re-training" we provide to you, your Designated Manager, or other person. In addition to any other fees, you must pay or reimburse us for all of our costs and expenses in connection with travel, lodging, meals and other incidental expenses we incur to provide you with the OJT Training pursuant to Section 5.1.3 and any other training we provide to you. At our option and in our Business Judgment and we may waive your obligation to reimburse us for the costs and expenses described in the preceding sentence.

If we provide additional training as a result of either your request for additional training or if we require you, your Designated Manager or any back-up managers to attend additional training or "re-training," then we may require you to pay our then-current fees for such training.

You will have to pay any costs of travel, lodging, meals and other incidental expenses that is incurred during training by those attending training and if we agree to train at your site, you will also pay any incidental expenses our trainer(s) incurs in conducting the program at your facility.

We will loan you one copy of our training materials, including our Orientation Manual. If you request additional copies of our training materials, you must pay us an amount equal to our direct and indirect costs related to additional copies.

#### **6.7. Payment for Promotional Items**

You must pay us promptly for Promotional Items and other goods we sell to you. However, we have the right to require payment in cash, electronic funds transfer, cashier's check, or other means of making funds immediately accessible to us if, in our reasonable discretion, your payment history or financial status, the amount of the order, general economic conditions, or other business reasons make it advisable.

All goods, products, and supplies purchased from us shall be purchased in accordance with the purchase order format issued from time to time by us. We may change the prices, delivery terms and other terms relating to our sale of goods, services, products and supplies to you on prior written notice. All product orders by you shall be subject to acceptance by us at our designated offices, and we reserve the right to accept or reject, in whole or in part, any order you place. No purchase order submitted by you shall contain any terms except as approved in writing by us, nor be deemed complete unless all of the information required by the prescribed purchase order form, as revised from time to time, is provided by you. No new or additional term or condition contained in any order placed by you shall be deemed valid, effective or accepted by us unless such term or condition shall have been expressly accepted by us in writing.

We will not be liable to you on account of any delay or failure in the manufacture, delivery or shipment of goods or products caused by Force Majeure or other events or circumstances beyond our reasonable control including such events as labor or material shortages, conditions of supply and demand, import/export restrictions, or disruptions in our supply sources. On the expiration or termination of this Agreement, or in the event of any default by you of this Agreement, we shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by you.

#### **6.8. Transfer Fee**

As a condition of Transfer of this franchise, you must pay, before the earlier of the Transfer or your proposed transferee attending our training program, a transfer fee of Fifteen Thousand Dollars (\$15,000), unless such Transfer occurs within twelve (12) months of signing this Agreement or of a prior Transfer, in which case, the transfer fee shall be Seventeen Thousand Five Hundred Dollars (\$17,500); *provided, however*, if the Transfer for which you pay us a transfer fee is not consummated, we will refund the transfer fee paid, less our out-of-pocket expenses and administrative costs.

#### **6.9. Relocation Fee**

As a condition of relocation of your **JUICE IT UP** Unit operated hereunder, you must pay us, before relocation, our then-current relocation fee equal to twenty percent (20%) of our then-current initial franchise fee.

#### **6.10. Interest on Late Payments**

If you fail to pay the entire amount of any payment due, including, but not limited to Royalties and advertising Fund Fees, you will be assessed an administrative fee of Fifty Dollars (\$50) per occurrence, plus interest on the unpaid amounts, from the date due, at a rate of one and one-half percent (1.5%) per month (up to the maximum annual rate allowed by applicable law). Interest charges on late payments are intended to partially compensate us for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure with precision. Imposition of interest and administrative

fees in such instances will not be deemed a waiver of our right to timely payment and/or any remedies we may have for the resulting default by you under this Agreement.

#### **6.11. Application of Payments**

Any payment you make may be applied by us, at our option, to any of your past due indebtedness to us regardless of your written or orally expressed intention. Once so applied, we will not alter the manner in which that payment has been applied. We are not required to accept payments after they are due or to extend credit or otherwise finance your operations. Failure to fully and timely pay all amounts due under this Agreement or any other agreement related to your Juice It Up Unit, may result in suspension of your access to our services, branded products and/or support and may also be deemed good cause for termination of this Agreement. All fees due under this Agreement are non-refundable.

#### **6.12. EFT and Pre-Authorized Payments**

6.121. At our request, you shall, at your sole cost and expense, instruct your bank to pay the amount of your royalty, advertising fee and other fees directly to us, or our designee, from your account, by electronic funds transfer or such other automatic payment mechanism which we may designate ("EFT") and upon the terms and conditions set forth in the Manual, and promptly upon our request, you shall execute or re-execute and deliver to us such pre-authorized check forms and other instruments or drafts required by us bank or third-party clearing house, payable against your bank account, to enable us to draw your royalty, advertising fee and other sums payable under the terms of this Agreement. The current form of instrument to authorize EFT is attached as Attachment 2. If we designate EFT, then you shall, in addition to those terms and conditions set forth in the Manual, maintain a single bank account for such payments and shall maintain such minimum balance in such account as we may reasonably specify from time to time. You shall not alter or close such account except upon our prior written approval. Any failure by you to implement such EFT system in strict accordance with our instructions shall constitute a material breach of this Agreement.

6.122. If you are delinquent more than three (3) times in any continuous twelve (12) month period during the term of this Agreement in the payment of your royalty, advertising fee or other fees, or of other sums due to us, or fail to report your sales on a timely basis and otherwise in accordance with this Agreement, we may require you to implement a system prescribed by us permitting us to unilaterally estimate and draw down the amounts owed by you, which system may include EFT systems, automatic debits, use of pre-authorized checks, other instruments or authority or any other arrangement we may prescribe. We may base our estimates of royalties, advertising fees and similar payments, on your historically reported Adjusted Gross Sales. You will promptly implement such system in strict accordance with our instructions and failure to do so will constitute a material breach of this Agreement.

6.123. We may also establish charge-back policies and procedures to recoup from you the amount of any refunds we make to resolve customer complaints relating to goods sold or services performed by you. We may require you to pay such fines upon demand or may utilize EFT to collect such fines.

#### **6.13. Consumer Price Index**

We can adjust any amount described in this Agreement as subject to inflation adjustment on an annual basis and in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index) as compared to the previous year. If we make an adjustment, we will give you at least thirty (30) days' advance notice.

## 7. OBLIGATIONS OF FRANCHISEE

### **7.1. Use of Trade Name, Marks and System**

#### **7.1.1. Ownership**

- (a) You understand and agree that, as between the parties, we own the Marks and the System, and you own no rights in the Trade Name, Marks or the System except for the license granted by this Agreement.
- (b) You agree not to contest or assist any other person to contest, the validity of our or our Affiliate's rights and interest in the Trade Name, Marks or the System either during the Term or after this Agreement Terminates or expires.

#### **7.1.2. Use of Trade Name, Marks and System**

- (a) In operating the Franchised Business, you shall (i) use only the Trade Name, Marks and elements of the System designated by us for your use and only in the manner authorized and permitted by us; (ii) use the Trade Name and Marks only to operate the Franchised Business and in connection with no other activities; (iii) display notices of trademark and service mark registrations in the exact manner that we specify; (iv) obtain fictitious or assumed name registrations as required by applicable law; and (v) prominently post notices to customers informing them that you are the independent owner of the Franchised Business under license from us.
- (b) You shall not use the Trade Name or any of the Marks or any part thereof: (i) in your corporate or legal name (if you are an Entity); (ii) with any prefix, suffix or other modifying words, terms, designs, colors or symbols; (iii) in any modified form that is not authorized; (iv) in connection with the sale of any unauthorized products or services; (v) in any manner not expressly authorized in writing by us; or (vi) in any manner that may result in our liability for your debts or obligations.
- (c) We reserve the right to: (i) modify or discontinue licensing the Trade Name or any of the Marks; (ii) add new names, marks, designs, logos or commercial symbols to the Marks and require that you use them; and (iii) require that you introduce or observe new practices as part of the System in operating the Franchised Business. You understand and agree that the term "Marks" has the meaning given in Section 3.20, that the term "System" has the meaning given in Section 3.28 and that the term "Trade Name" has the meaning given in Section 3.30. You shall comply, at your sole expense, with our directions regarding changes in the Marks and System within a reasonable time after written notice from us. We shall have no liability to you for any cost, expense, loss or damage that you incur in complying with our directions and conforming to required changes.
- (d) You understand and agree that any unauthorized use of the Trade Name, Marks or the System by you shall constitute both a breach of this Agreement and an infringement of our or our Affiliate's intellectual property rights.

#### 7.1.3. Defense of Trade Name, Marks and System

- (a) We and/or our Affiliate shall have the sole right to handle disputes with third parties concerning our or our Affiliate's use of, ownership of, rights in, or your use of, the Trade Name, Marks or the System.
- (b) You shall immediately notify us in writing if you become aware of any: (i) improper use of any of the Trade Name, Marks or elements of the System; (ii) use by any third party of any mark, design, logo or commercial symbol which, in your judgment, may be confusingly similar to the Trade Name or any of the Marks; (iii) use by any third party of any business practice which, in your judgment, unfairly simulates the System in a manner likely to confuse or deceive the public; or (iv) claim, challenge, suit or demand asserted against you based upon your use of the Trade Name, Marks or the System.
- (c) We and/or our Affiliate shall have sole discretion to take such action as we deem appropriate, including, without limitation, to take no action, and the sole right to control any legal proceeding or negotiation arising out of any infringement, challenge or claim or otherwise relating to the Trade Name, Marks or the System. You do not have the right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of any infringement.
- (d) You shall not settle or compromise any claim, suit or demand asserted against you or your principals and agree to be bound by our decisions in handling disputes regarding the Trade Name, Marks and the System. You shall cooperate fully with us and execute such documents and perform such actions as may, in our Business Judgment, be necessary, appropriate or advisable in the defense of such claims, suits or demands and to protect and maintain our or our Affiliate's rights in the Trade Name, Marks and the System.
- (e) Unless it is established that a third party claim asserted against you is based, directly or indirectly, upon your misuse of the Trade Name, Marks or the System, we agree to defend you against the third party claim, provided you have notified us immediately after learning of the claim and fully cooperate in the defense of the action. Because we will defend the third party claim, you are not entitled to be reimbursed for legal or other professional fees or costs paid to independent legal counsel or others in connection with the matter. Notwithstanding our agreement to defend you under the conditions stated in this paragraph, you understand and agree that we are not liable to indemnify or reimburse you for any liability, costs, expenses, damages or losses that you may sustain as a result of the third party claim. You, on behalf of yourself and each Franchisee Related Party, hereby waive any claim against us and Franchisor Related Parties based on third party claims involving the System, the Trade Name or the Marks, including, without limitation, for lost profits or consequential damages of any kind.

#### 7.1.4. Advertising Materials

You agree to submit to us copies of all advertising materials that you propose, generate, or have generated by a third party and/or generate at least two (2) weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably, provided, however, if you make any product or ingredient related claims, we may reject the materials containing such claims at our option and in our Business Judgment. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be



covered by any previous approval. Even if we have approved specified materials, we may later withdraw approval if we reasonably believe it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation (or alleged misrepresentation), or "claim" in the advertising material.

## **7.2. Start-Up**

### **7.2.1. Compliance with Manual**

SJB will lend you a copy of the **JUICE IT UP** Manual. The Manual will include descriptions of the processes from site selection through operating and marketing your Unit. The Manual will contain explicit instructions, as authorized by SJB, for use of the Marks, specifications for goods that will be used in or sold by the **JUICE IT UP** Unit, customer service techniques, sample business forms, information on marketing, management, and administration methods developed by SJB for use in the **JUICE IT UP** Unit, names of approved suppliers, and other information that SJB believes may be necessary or helpful to you in your operation of the **JUICE IT UP** Unit. You'll promptly and continuously comply, at your sole expense, with all provisions of, and additions/deletions/changes to, the Manual. We may make additions/deletions/changes in the standards and specifications set out in the Manual from time to time. Any such additions/deletions/changes will take precedence over all prior communications. Such changes may necessitate the purchase of equipment, supplies, menu boards, external signs, furnishings (including counters, cabinets, and titles) or other goods, completion of additional training by your employees, or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. You must at all times keep your copy of the Manual current by inserting in it revised pages given to you by us in either hard copy or electronic form, and deleting superseded pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual maintained by us will control. The provisions of the Manual, as modified from time-to-time, constitute provisions of this Agreement and are binding upon you. The Manual contains proprietary information of ours and you agree to keep the Manual confidential at all times.

### **7.2.2. Site Location and Development**

You must, on your own initiative and at your own expense, locate and obtain our written acceptance of a location for your **JUICE IT UP®** Unit and secure a lease or purchase agreement for the premises at that location. If you do not find a site that we approve within six months from signing the Franchise Agreement, the Agreement will terminate unless we grant you an extension. You may submit a written request for extension of the site selection deadline, which we may grant or withhold, in our Business Judgment. We do not refund any portion of the fees you have paid if you fail to timely locate a site and we terminate the Agreement.

Upon our acceptance of your location in accordance with our then-current guidelines and standards, the location will be deemed the "Accepted Location". You must provide us with a fully executed copy of the lease or purchase agreement for the premises at which you will operate the **JUICE IT UP** Unit not later than 15 days after executing said lease or purchase agreement. You will not execute a lease or purchase agreement for the premises at which you intend to operate a **JUICE IT UP** Unit unless you have received our prior written acceptance for the location of the premises. The tenant under the lease or purchase agreement for the Accepted Location must be you. You hereby authorize us to communicate with the lessor under the lease (and hereby authorize such lessor to communicate with us) for any purpose, including de-identification of the Accepted Location following the termination or expiration of this Agreement, your sales, your defaults under this Agreement or the lease and negotiating a lease for the Accepted Location following the termination or expiration of your lease.

**At the outset of your lease negotiations, you must present to your prospective landlord, the Collateral Assignment of Lease form which is attached to this Agreement as Attachment 3. Prior to signing your lease, you must sign and obtain the signature of your landlord on the Collateral Assignment of Lease and provide a copy of the fully signed document to us.**

We may, but are not obligated to assist you in obtaining an acceptable location. Our assistance related to an acceptable location, review and/or approval of a lease or purchase agreement, and/or any advice or recommendation offered by us, will not constitute a representation or guarantee that you will succeed at the Accepted Location nor does it constitute an expression of our opinion regarding the terms of such lease or purchase agreement. You acknowledge and agree that you will solely rely on your review of any such lease which we recommend also be reviewed by a licensed and competent attorney hired by you. You acknowledge that matters related to your Accepted Location are your sole and absolute responsibility.

You must plan, construct, equip and furnish your Unit in accordance with our currently effective standards, as described in the Manual. You will employ experienced and competent architects, engineers and general contractors of your own selection (but each accepted in writing by us prior to their engagement) unless we have designated architects, engineers and general contractors in the Manual as "approved" or "designated," in which case you will only use such approved or designated vendors. At your sole cost and expense, you will have architectural, engineering and construction drawings and site plans prepared, and/or modify the standard layout plans and specifications, which may be provided by us, and obtain all permits, consents, licenses, and approvals required to construct, remodel, renovate, and/or equip the Accepted Location. All such drawings and plans, and all modifications and revisions thereto, shall be submitted to us in writing for our prior review and acceptance before you commence demolition and construction, or renovation pursuant thereto. If we do not deliver written notice to you that we have accepted such drawing and plans, the same shall be deemed rejected.

You may not open your **JUICE IT UP®** Unit for business until you have received written authorization to open from us, which authorization may be conditional and subject to our satisfactory inspection of your **JUICE IT UP®** Unit.

Our acceptance of your drawings, plans, and modifications thereto, our guidance with the development of your **JUICE IT UP®** Unit, and our authorization to open the **JUICE IT UP®** Unit are to assure that you comply with our standards and specifications, and shall not be construed as any express or implied representation or warranty that the Accepted Location complies with any applicable laws, codes or regulations or that the construction is sound or free from defects. Our criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations. We will have no liability with respect to construction of the Accepted Location, nor shall we be responsible in any way for delays or losses occurring during the design, construction or other preparation of the Unit at the Accepted Location, whether caused by the condition of the Accepted Location, the design, engineering, construction, equipping, decorating, or stocking of the Unit at the Accepted Location, or any other reason. You expressly acknowledge and agree that we do not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the Unit at the Accepted Location will guaranty your success.

Subject only to Force Majeure, you must commence construction (or remodeling) of the Accepted Location promptly following taking possession of the Accepted Location. Without limiting the foregoing and subject only to Force Majeure, you will take all necessary action to develop your Unit in a timely manner in relationship to the Start Date stated in Article 3 or any written extension of the Start Date we grant to you. The time periods for the commencement and completion of construction and commencement of business by the Start Date are of the essence of this Agreement. If you fail to

perform your obligations contained in this Section, you may, in our Business Judgment, be deemed in default of this Agreement subject to termination.

In the event of the occurrence of an event which you claim to constitute Force Majeure, you must provide written notice to us in writing within five (5) days following commencement of the alleged Force Majeure which notice shall include the words "Force Majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted your performance hereunder. You must provide us with continuous updates (no less frequently than once each week) on your progress and diligence in responding to and overcoming the Force Majeure, and shall notify us immediately upon cessation of such Force Majeure, and provide all other information as may be requested by us. If you fail to timely notify us of any alleged Force Majeure, or fail to provide any such updates during the continuance of the alleged Force Majeure, you will be deemed to have waived the right to claim such Force Majeure.

Default under your lease, if non-curable or if uncured within any applicable cure period, will be deemed a non-curable default under this Agreement and may, at our option, result in immediate termination of this Agreement.

### 7.2.3. Lay-out, Design and Construction

We will provide you with the latest **JUICE IT UP** design criteria, typical layout, and CAD criteria plans. Upon the execution of your lease, we will conduct a Construction Overview and Orientation at our headquarters or another location we designate. During this meeting, which you must attend, we will provide you with a project and construction management activity timeline ("PERT" chart) for the development and construction of your **JUICE IT UP** Unit. The Manual will contain a list of approved service providers (such as architects, engineers, designers, building contractors, and equipment suppliers). Unless otherwise permitted by us in writing, you will only use such service providers that are indicated as "approved" in the Manual. You may, however, use other service providers, contractors and equipment vendors of your own choice provided, that each such service provider, contractor and vendor is acceptable to us (which acceptance will not be unreasonably withheld) prior to your engagement of such person or Entity. You must provide us with such information as we may request regarding each such service provider, contractor and vendor as a condition to our acceptance. By issuing our approval or acceptance, we do not make any guaranty or warranty concerning the fitness or quality of the goods or services of any supplier, vendor, contractor or other provider. Any contractor hired by you must be state licensed and bonded in compliance with all applicable laws.

In accordance with Section 7.2.2, you must submit to us for our prior review and acceptance the plans and specifications for your **JUICE IT UP** Unit. We will review and accept or reject the plans and specifications for your **JUICE IT UP** Unit. You agree that our acceptance of your plans and specifications does not constitute a representation warranty, or guarantee, express or implied, by us that such the plans are free of architectural or design errors and thus, we shall have no liability to you or any other person with respect thereto. You will cause each architect, engineer, designer, or other person creating plans for your **JUICE IT UP** Unit to assign, without further consideration, the copyright in such plans to us and to thereafter execute, from time to time, any and all other documents necessary or appropriate to confirm title to such copyright in our name.

You will at your sole cost and expense promptly cause the **JUICE IT UP** Unit to be constructed, equipped and improved in accordance with our standards and specifications for the design and layout of a **JUICE IT UP®** Unit, unless we, in writing, agree to modifications thereof. Unless otherwise permitted in writing by us, you will use the materials provided by us to plan and organize the construction of your **JUICE IT UP** Unit, including the project management activity timeline.

You or your project manager must communicate with us no less than weekly regarding the status of the development and construction of the **JUICE IT UP** Unit.

#### 7.2.4. Orientation, Initial Training and On the Job Training

You or your Designated Manager must faithfully attend all phases of the Orientation, ITP and OJT Training, and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as determined by us in our Business Judgment, constitutes grounds for termination of this Agreement. However, we have the option in our Business Judgment, but not the obligation, to offer you one or more remedial measures, such as additional training or your employment of qualified personnel, at your sole cost and expense, which must be implemented by you to satisfy your training requirements under this Agreement and avoid termination.

#### 7.2.5. Opening

You will notify us of the scheduled date on which all construction or remodeling of the Accepted Location will be completed in accordance with our specifications and all permits (and other approvals) necessary to open to the public shall have been obtained and you have fully prepared the Accepted Location for OJT Training (the “**Scheduled Completion Date**”) no later than thirty (30) days prior to the Scheduled Completion Date. You must communicate weekly with us so that our training personnel can be appropriately scheduled to provide the OJT Training. We will use commercially reasonable efforts to provide OJT Training promptly following the Scheduled Completion Date, but you agree that our OJT Training is provided on an as-available basis.

You may not open your **JUICE IT UP** Unit to the public until we provide our prior written consent.

#### 7.2.6. Retail Products and Services Offered

You must offer and sell all the products and services and only the products and services that we have authorized you to provide and where applicable on the terms that we have negotiated with our approved suppliers. Within thirty (30) days after receiving written notice from us (unless such notice specifies a longer time period), you must commence and thereafter continue to offer and sell all additional products and services specified by us or, if we withdraw our approval of any products or services, you must cease to offer and sell any such products and services as specified by us. All products and services prepared, sold or provided by you from the **JUICE IT UP** Unit must be prepared, sold and/or manufactured in strict accordance with our recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.

We require that you use only designated and approved suppliers to increase goodwill by promoting uniformity throughout the System. Many of the items supplied by designated suppliers are proprietary, private label items to us and aspects of these items must be kept confidential. Also, by entering into exclusive purchasing agreements with these suppliers, we may have negotiated quantity, ingredient and distribution discounts for the **JUICE IT UP** Network as a whole. You are required to accept delivery of approved products and items in accordance with the terms negotiated for the benefit of the Network which may include automatic shipments at the then current product cost plus a distribution margin.

It is your responsibility to place orders with approved suppliers and manage your inventory levels. We do not arrange or place orders or schedule deliveries to your Unit. You are responsible for working directly with the designated and approved suppliers, communicating with them and advising them of issues with deliveries or products. We will provide you with relevant supplier information in the

Manuals or otherwise. Occasionally, items may be forced shipped to your Unit to expedite a seasonal sale, you will be notified in advance of these shipments. If you are unable to resolve an issue directly with a supplier, we are available to assist you with delivery problems during regular business hours, Monday through Friday.

Promotional Items, including signs, mobile or other applications, menus, gift and loyalty cards and machines, program POS material, supplement guides, in-store promotional posters, training and recipe cards, smoothie cards, and point-of-sale materials for new promotions, may be purchased only from us or a designated or approved supplier as set forth in the Manual. We or other designated or approved suppliers may charge a reasonable fee for any such item. Such charges shall **not** be considered part of or credited toward your Marketing Fund contributions and are separate and distinct from such obligations as otherwise provided in this Agreement.

You must buy juices, frozen yogurt and sherbets, IQF or fresh fruits and vegetables (produce), other food products, nutritional supplements, coffee, tea, snacks, the POS system, and polling software exclusively from approved suppliers. You must use and sell only the specified retail supplements, snacks, coffee and tea, and other products designated by us from time to time. The rights granted to you hereunder are solely in connection with your retail sale, use and distribution under the System. You may not engage in any wholesale activities related to any product and/or services offered, sold and/or distributed at, from or in connection, with your **JUICE IT UP** Unit. Any such wholesale activities by you will be a material breach and grounds for termination of this Agreement by us.

Paper goods, including cups and paper napkins must bear the Marks and may be purchased only from approved suppliers. To be approved, a supplier must stock all of the specified paper items used in a **JUICE IT UP** Unit, be reliable, and charge reasonable prices.

If you propose to use any ingredient, ingredient distributor, supplier or product or service which has not previously been approved by us, you must advise us of this fact and, upon our request, provide us with product specifications, sample products, and/or information about the supplier. We will promptly communicate to you either our written approval or the reasons for withholding our approval. Silence may not be construed as consent. Normally, we do not require that you to pay for our evaluation of a supplier proposed by you. However, if the cost of inspecting the supplier's premises, checking the supplier's credentials, and/or testing the product is Five Hundred Dollars (\$500) or more, we will invoice you for any such amounts over Five Hundred Dollars (\$500) if the supplier is not approved. As a condition of approving a supplier of any product that bears the Trade Name or Marks, we may require that the supplier sign a License Agreement. We may withdraw our approval of a supplier or product if either or both no longer meet our standards or specifications.

We may, from time to time, authorize you to test market products and/or services in connection with the operation of the **JUICE IT UP** Unit. You shall cooperate with us in connection with the conduct of such test marketing and shall comply with our rules and regulations established from time to time in connection herewith.

You will establish your **JUICE IT UP** Unit retail prices; *provided that*, we reserve the right to establish minimum and maximum prices to the extent permitted under applicable law. We also may recommend pricing.

#### **7.2.7. Gift Card, Discount & Loyalty Programs**

You must participate, at your expense, in all gift card, discount and loyalty programs, including but not limited to your acquisition and use of gift and loyalty card machines, mobile or other payment capability/application/program, coupon books, and loyalty and gift cards, as prescribed and authorized

by us now or in the future. Such expenses shall not be considered part of or credited toward your Marketing Fund contributions and are separate and distinct from such obligations as otherwise provided in this Agreement. Within thirty (30) days after receiving written notice from us (unless such notice specifies a longer time period), you must commence and thereafter continue to offer, accept and redeem all programs specified by us or, if we withdraw approval of any programs, you must cease to offer, accept and redeem any such programs as specified by us. All programs prepared, sold or provided by you from the **JUICE IT UP** Unit must be prepared, sold and/or manufactured in strict accordance with our guidelines, standards and specifications. You shall cooperate with us in connection with the conduct of programs and shall comply with the rules and regulations established from time to time in connection herewith.

#### 7.2.8. Customer Satisfaction Program

Customer feedback is monitored through multiple channels. You must distribute customer response cards in the form prescribed by us for return by your customers to us. If your scores from the customer response cards do not meet our then-current standards, as described in the Manual, we may recommend steps necessary to improve your scores. Additionally, from time to time, we may employ the services of a mystery shopping company to evaluate customer service and compliance within the brand guidelines. Scores from that evaluation must meet defined minimum expectations. We monitor on an ongoing basis customer comments and complaints from telephone hotline, online contact forms, and social media channels such as Twitter®, Yelp®, Foursquare®, Facebook® and others. Customer responses and/or trends in customer responses deemed significant by us will be communicated to you for resolution. If you do not take immediate, effective steps, including those we have recommended, to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement. You shall promptly reimburse us for all costs and expenses incurred on your behalf in connection with a customer satisfaction complaint or issue with your **JUICE IT UP** Unit if you fail to comply with our standards.

#### 7.2.7 Menus

All Promotional Items and other goods and services offered or sold from the **JUICE IT UP** Unit shall be marketed by approved menu formats to be utilized in the **JUICE IT UP** Unit. The approved and authorized menu and menu format(s) may include, in our Business Judgment, requirements concerning organization, graphics, product descriptions, illustrations, and any other matters related to the menu, whether or not similar to those listed. In our Business Judgment, the menu and/or menu format(s) may vary depending upon region, market size, and other factors. We may change the menu and/or menu format(s) from time to time or region to region or authorize tests from region to region or authorize non-uniform regions or Units within regions.

You must, upon receipt of notice from us, add, delete, or revise each Promotional Item or and other good and/or service offered or sold from your **JUICE IT UP** Unit on its menu according to the instructions contained in the notice. You shall have a minimum of thirty (30) days and not more than sixty (60) days after receipt of written notice in which to fully implement any such change. You must cease selling any previously approved product within thirty (30) days after your receipt of notice that the product is no longer approved.

#### 7.2.8 Inspections

We and/or our designated representatives (which may include "mystery shoppers") may conduct periodic quality control inspections of the **JUICE IT UP** Unit during normal business hours. You hereby authorize us and our representatives to enter your **JUICE IT UP** Unit at any time, including the back room during business hours with or without notice. Quality Service & Cleanliness (QSC) inspections

may be made with or without prior notice and are not limited as to frequency. You must promptly correct any deficiencies in your operation of which you are advised by us. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement.

You shall promptly reimburse us for all costs and expenses we incur in connection with each inspection of your **JUICE IT UP** Unit if you fail to achieve the minimum acceptable standard in connection with the evaluation of your **JUICE IT UP** Unit during such inspection.

#### 7.2.9 Notification of Complaints

You must notify us promptly if you are served with a complaint in any legal proceeding that is in any way related to the **JUICE IT UP**® Unit or if you become aware that you are the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

#### 7.2.10 Ethical Business Conduct; Business Practices You hereby represent and warrant that:

- (a) You will fully comply with all applicable laws, ordinances and regulations as well as maintaining high standards of moral and ethical behavior in the conduct and operation of your franchised business. This applies to the ethical and professional management of affairs with your staff and within the local community of the **JUICE IT UP**® Unit, your relationship with vendors and suppliers, and to your relationship with us and our Franchisor Related Parties. You must, in all dealings with your staff, customers, suppliers, and public officials, adhere to high standards of professionalism, honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which would tend to cause damage to the goodwill associated with the Trade Name and Marks. Among other things, you will not engage in any illegal discriminatory practices and/or otherwise engage in any lewd or rude behavior.
- (b) You and your Owners, if any, will comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation, the U.S. Patriot Act, Executive Order 13224, United States Foreign Corrupt Practices Act any local foreign corrupt practices laws and related U.S. Treasury and/or other regulations (collectively "Anti-Terrorism Laws") and hereby acknowledge the importance to us and the Franchise Network, of the respective compliance of each with any applicable auditing requirements and any requirement to report or provide access to information to us or any government, that is made part of any applicable law. In connection with such compliance efforts, you will not to enter into any prohibited transactions and will properly perform any currency reporting and other activities relating to your Franchised Business as may be required by us or by law. You and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws and shall complete such forms attesting to the same as we may require. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations hereunder.
- (c) Neither you, any of your Owners nor any employee of either is now nor will in the future be designated as a "Specially Designated Nationals" or "Blocked Persons" by the U.S. Department of the Treasury's Office of Foreign Assets Control. Currently, this list is

published under the internet website address "www.treas.gov/offices/enforcement/ofac/sdn/". You are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor do you or your Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo.

You will notify us in writing immediately upon the occurrence of any event which renders the foregoing representations and warranties of this paragraph incorrect.

#### 7.2.11 Hours

Subject to applicable law, written agreement between you and us to the contrary or as otherwise specified in the Manual, the **JUICE IT UP** Unit shall be open and operational at least fourteen (14) hours per day, every day of the year. You shall diligently and efficiently exercise your best efforts to achieve the maximum Adjusted Gross Sales possible from your **JUICE IT UP** Unit.

#### 7.2.12 Vending or Other Machines

Except with our written approval, you shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks, newspaper or magazine dispensers or racks or any other mechanical or electrical device to be installed or maintained at or related to the **JUICE IT UP** Unit.

#### 7.2.13 Mobile Carts, Trucks, Seasonal Stores & Off-Site Sales

Unless we have provided you with prior, written approval, you shall not operate or utilize any mobile carts, delivery or operational vehicles, seasonal stores or stands of any kind related to the **JUICE IT UP®** products and services. All aspects of any such approved operation by us must adhere to all of the same requirements as set forth in the Manual, including, without limitation, our standards, products, reporting, royalties, quality, marketing and branding, use of the Trade Names and Marks. The above should not be construed to limit your ability to provide typical catering services related to your Unit.

#### 7.2.14 Co-Branding

You may not engage in any co-branding in or in connection with the **JUICE IT UP** Unit, except with our prior written consent. We shall not be required to approve any co-branding chain or arrangement except in our Business Judgment, and only if we have recognized that co-branding chain as an approved co-brand. "Co-branding" includes the operation of an independent business, branded item, product line or operating system owned or licensed by another Entity (not us) that is featured or incorporated within the Accepted Location or is adjacent to the Accepted Location and operated in a manner which is likely to cause the public to perceive it to be related to the **JUICE IT UP** Unit licensed and franchised hereunder. An example would be an independent ice cream store or counter installed within **JUICE IT UP** Unit.

### **7.3. Personnel**

#### 7.3.1. Management

Your Designated Manager must devote all his or her productive time and effort to the management and operation of the **JUICE IT UP** Unit in the minimum amount of forty (40) hours per week. If you purchase the franchise in your individual capacity, you may be the Designated Manager



provided that you satisfy the provisions of this Agreement with respect to the qualifications and training of the Designated Manager. The Designated Manager or another employee who has successfully completed our initial training program must be present at the Accepted Location whenever the **JUICE IT UP** Unit is open for business. If you own more than one **JUICE IT UP** Unit, an additional Designated Manager will be employed for each **JUICE IT UP** Unit. If we, in our Business Judgment, determine that a Designated Manager is not properly performing his duties, we will advise you and you must immediately take steps to correct the situation. You must keep our Operations Department informed in writing as to the identity of your Designated Manager. Upon the termination of employment of a Designated Manager, you must appoint a successor within thirty (30) days. Any successor Designated Manager must successfully complete the Initial Training Program to our satisfaction before starting work in the **JUICE IT UP** Unit, unless otherwise agreed by us in writing. You must pay our then-current fee for the Initial Training Program in connection with the training of a successor Designated Manager.

#### 7.3.2. Employees

Immediately before the commencement of the OJT Training and at all times thereafter, you must maintain at all times a staff sufficiently trained to operate the **JUICE IT UP** Unit in compliance with our standards and requirements. You and your management are solely responsible for training your employees in accordance with our standards and the Manual.

### 7.4. Signs and Other Advertising Materials

You must permanently display, at your own expense, on your business premises and on all vehicles you use in the franchised Unit, **JUICE IT UP®** signs of any nature, form, color, number, location and size, and containing any legends that we have designated in writing. Such lighted exterior building signs must be lighted from dusk to dawn daily, seven (7) days a week, and maintained in workable condition at all times.

You may use and display, as instructed by us, all advertising materials we provide to you from time to time. If you do not use and display advertising materials we provide to you in the manner we instruct, you must return the unused advertising materials to us promptly and at your expense.

### 7.5. Financial Information

#### 7.5.1. Records

You must record all sales and all receipts of revenue on individual machine serial-numbered receipts. Cash registers must validate the receipts that are presented at the time of sale to your customers. You must retain daily sales reporting forms and accompanying cash register tapes for at least three years after the dates of sale. If your cash register must be repaired, a replacement cash register must be used in its absence.

#### 7.5.2. Reports and Reporting Equipment

We require you to purchase and maintain an electronic cash register, modem, fax machine/printer, computer, telephone, plus communications and accounting software that meet specifications set out in the Manual to facilitate the creation of standardized financial records and their conveyance to us.

As a new Franchisee you also must purchase and maintain the POS and communications equipment, and maintain a single line minimum phone service for voice and fax and high speed Internet.

At any time we may require you to obtain a POS System as defined by us. Upon notice you must purchase, and thereafter continue to use and maintain the computerized point of sale cash collection system (including all related hardware and software) as specified in the Manual or otherwise by us in writing for use in connection with the **JUICE IT UP** Unit (the "**POS System**"). We may require the POS System to be (i) connected to a telephone line (or other communications medium specified by us) at all times and be capable of accessing the Internet via a designated third party network for the purpose of implementing software, transmitting and receiving data, accessing the Internet for ordering and maintaining the POS System; and (ii) electronically linked to us or our designated Franchisor Related Party or designee, and you must allow us and/or our Franchisor Related Party or designee, to poll the POS System on a daily or other basis at such times and in such manner as established by us, with or without notice, and to retrieve such transaction information including sales, sales mix, usage, and other operations data as we deem appropriate.

We may require you to update, upgrade or replace the cash register and/or POS System, including hardware and/or software, from time to time upon written notice. We will not require you to replace the POS System any more frequently than once every three (3) years. You may be required to add mobile application software and electronic capability to your store as requested by us. You may not use any equipment, system or technology that we have not expressly authorized in connection with the operation of your Unit. In order for us to assess any such equipment, system or technology, you must submit all relevant information to us and await our determination, which shall not be unreasonably withheld, as to whether or not such use will be approved. Any unauthorized use of same prior to our written approval will constitute a breach of this Agreement by you and you hereby agree to indemnify us for any loss or damage we sustain as a result of any such use by you.

You must also submit to us, at the time of filing, copies of all federal, state and local income tax returns. We will use this data to prepare financial reports for management's use and to formulate earnings and expense information that we may disclose to prospective franchisees. You must provide periodic financial reports to us at the times and using the chart of accounts specified in the Manual.

## **7.6. Insurance**

You must purchase and maintain a policy or policies of comprehensive public liability insurance, including product liability coverage, covering all **JUICE IT UP** Unit assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than Two Million Dollars (\$2,000,000). We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must also carry 1) casualty insurance in a minimum amount equal to the replacement value of your interest in the **JUICE IT UP** Unit premises, including furniture, fixtures and equipment, and 2) business interruption insurance in an amount sufficient to cover the rent of the **JUICE IT UP** Unit premises, salary or wages of key personnel, and other fixed expenses for not less than twelve (12) months. In addition, you must maintain policies of worker's compensation insurance, disability insurance; Employer Practices Liability Insurance or similar coverage alternatively named, involving employee-related claims in sufficient amounts in relation to the composition of your staff, but in no event will coverage be less than Five Hundred Thousand (\$500,000) per occurrence; and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without ten (10) days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us as an additional named insured, and be satisfactory to us in form, substance and coverage. The following language must appear on your insurance policy showing us as an additional insured: "SJB Brands, LLC, its partners and joint ventures and the officers, directors, shareholders, agents, servants and employees of each of them." You must deliver a certificate of the issuing insurance company evidencing each policy to us within ten (10) days after the policy is issued or renewed and from time to time promptly on request. Failure to do so is a material breach of this Agreement.

If you fail to obtain the required insurance coverage, we may, without obligation, obtain such insurance coverage on your behalf. You must pay us on demand any costs and premiums incurred by us, plus an administrative fee equal to fifteen percent (15%) of the amount of the premium to defray any administrative cost incurred by us.

## **7.7. Financial and Legal Responsibility**

### **7.7.1. Compliance with Law; Crisis Management Events**

- (a) You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the **JUICE IT UP** Unit. You must keep current all licenses, permits, bonds, and deposits made to or required by any government agency in connection with the operation of the **JUICE IT UP** Unit including compliance with all Americans with Disabilities Act ("ADA") requirements at all times during the term of this Agreement. While we may from time to time provide information about certain safety or legal guidelines, you are solely responsible for identifying and complying with all laws, including without limitation, and to the extent applicable, the Fair Labor Standards Act, the Occupational Safety and Health Act, any state wage and hour or workers compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment-related or employee benefit law or regulation. You must comply with the then-current Payment Card Industry Data Security Standard and any revision to it adapted by the PCI Security Standards Council, LLC (the "PCI Council") or any successor organization or standards we may specify. You shall implement enhancements and security requirements and other requirements established by the PCI Council for merchants accepting payment by credit or debit cards.
- (b) Upon the occurrence of a Crisis Management Event, you must immediately inform our President (or as otherwise instructed in the Manual) by telephone. You must cooperate fully with us with respect to your response to the Crisis Management Event.

### **7.7.2. Payment of Indebtedness**

You must pay fully and promptly when due all taxes and debts that you incur in the conduct of your business.

## **7.8. Software License Agreement: Juice Net Website**

If we develop a proprietary software system for use by our franchisees, you agree to purchase, install, use and maintain the software. We will use commercially reasonable efforts to minimize expenses to you in connection with any required software.

We will have sole discretion and control over all aspects of the Juice Net website, including the content and functionality thereof. We have no obligation to maintain the Juice Net website indefinitely, and may dismantle it at any time without liability to you. You have the mere privilege to use the Juice Net website, subject to your strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time. You agree to sign the Juice Net website terms of use attached hereto as Attachment 7, and such amendments as we may require from time to time. You acknowledge that, as administrator of the Juice Net website, we can access and view any communication that any person posts on the Juice Net website. You agree that the Juice Net website and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

If you at any time you are not in Good Standing, we may, in addition to, and without limiting any other rights and remedies available to us, disable or terminate your access to the Juice Net website without us having any liability to you, and in which case we will only be required to provide you with a paper copy of the Manual and any updates thereto, if none have been previously provided to you, unless you are not otherwise entitled to the Manual.

### **7.9. Local Store Marketing: Grand Opening**

You must spend at least one percent (1%) of your Adjusted Gross Sales per year on local store marketing and promotion in a manner that conforms with the Manual. You may deduct from this requirement any amounts you pay to a mandatory mail advertising program. You must submit, on or before the fifteenth (15th) day of each calendar month, copies of invoices for advertising materials, public relations activities, and/or media space and time showing compliance with the provisions of this paragraph during the immediately preceding month. Advertising expenditures in excess of the required minimum in any month may be used to offset shortfalls in any later month, as long as the total advertising expenditures for the calendar year, on a cumulative basis, equal or exceed the stated minimum. We will assist you with developing your local store marketing if requested by you prior to your successful completion of all segments of the JUICE IT UP! training program and before your Unit opens. You can also request marketing assistance at a later time.

Unless you are an assignee of this Agreement, or you have signed this Agreement in connection with a Transfer, you must expend not less than Five Thousand Dollars (\$5,000) to conduct a grand opening advertising and promotion program for the **JUICE IT UP** Unit, which grand opening promotion: (a) is in addition to advertising and promotion required under this Agreement and such expenditures are in addition to your local store marketing expenditure requirements in Section 7.9 and required Marketing Fund contributions under this Agreement; (b) will utilize marketing and public relations programs and media and advertising materials approved by us; (c) will be conducted in accordance with our specifications and standards; and (d) will be conducted within thirty (30) to forty five (45) days following your opening of the **JUICE IT UP** Unit to the public. Promptly following the conclusion of such grand opening promotion program, you will send us written notice of its completion and such documents as we may request to evidence your expenditure of at least Five Thousand Dollars (\$5,000) to conduct such program.

### **7.10. Telephone and Other Directory Listings, Internet Sites.**

A. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites, social media accounts or sites and/or other communications services links (collectively, the "Numbers"), and any related directory listings/advertising, used in connection with the operation of your **JUICE IT UP** Unit. You agree to comply with all policies we establish related to the use of such Numbers, accounts, listings or posting on the Internet. We require you to sign an assignment of such Numbers and accounts in the form attached hereto as Attachment 4. After any Termination, Repurchase and/or expiration of the Franchise, you will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers, accounts and any related directory listings/advertising as we direct. You agree to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to our exercising any rights under this Section. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers, accounts and any related directory listings/advertising if you do not do so yourself within ten (10) days after the Termination, Repurchase or expiration of this Agreement. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers, accounts and related directory listings, web pages and advertising/marketing.

B. If we choose at any time to be direct billed by a provider for any account for the Numbers and/or directory listings/advertising, you agree to pay us all amounts due such providers within ten (10) days of our written notice to you. If you fail on two or more occasions to pay any such amounts to us

when due, then we may require you to maintain a deposit with us in an amount reasonably determined by us based upon usage history and other relevant factors.

## **8. RELATIONSHIP OF PARTIES**

### **8.1. Interest in Marks and System**

You may not at any time do or cause to be done anything contesting or impairing our interest in the Trade Name, Marks or System. You acquire no rights in any of such property except for your right to use them in accordance with the express terms of this Agreement. We retain the right to grant other franchises or licenses to use the Trade Name, Marks and System upon any terms we deem appropriate.

### **8.2. Independent Status**

You are an independent legal Entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, customers and others. You will rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisor and franchisee. You and we understand and agree that neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You may not expressly or implicitly hold yourself out as an employee, partner, shareholder, joint venture or representative of ours, nor may you expressly or implicitly state or suggest that you have the right or power to bind us or to incur any liability on our behalf. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed our employees or subject to our control. You and we agree that the relationship created by this Agreement is one of independent contractor and not a fiduciary relationship. You are prohibited from using the Trade Name or Marks as part of your Entity.

### **8.3. Display of Disclaimer**

You must conspicuously display a sign that states that **"THIS JUICE IT UP® UNIT IS INDEPENDENTLY OWNED AND OPERATED"** at the Accepted Location. Business cards, stationery, purchase order forms, invoices, leases, tax returns and other documents you use in your business dealings with suppliers, lessors, government agencies, employees and customers must clearly identify you as an independent owner and operator.

### **8.4. Confidentiality**

You acknowledge and agree that the Confidential Information and Trade Secrets disclosed to you under this Agreement, whether or not included in the Manual, are confidential and proprietary. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to your employees and agents as necessary in the regular conduct of the **JUICE IT UP** Unit and except as authorized in writing by us. You may not use any such information in any manner except as necessary for the regular conduct of the **JUICE IT UP** Unit.

You must obtain written nondisclosure agreements, in the form of Attachment 5 to this Agreement, from your employees, agents and Franchisee Related Parties and must send us a copy of each such agreement within ten (10) days after each employee and agent begins his or her relationship with you, and with respect to the Franchisee Related Parties, within ten (10) days after beginning his or her relationship with you.

While you and your employees and contractors do not perform any work for us as an employer or otherwise, the following notice is provided pursuant to the Defend Trade Secrets Act of 2016 to the extent it is determined or construed to be required for us or our Affiliates to enforce our/their full rights under such Act or any other law:

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“An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. “

## **8.5. Indemnification**

### **8.5.1. Indemnification by You**

You will indemnify and hold us and our Franchisor Related Parties harmless from all expenses, claims, losses, and liabilities of any kind arising from or in any way connected to (a) your development, construction or operation of the **JUICE IT UP** Unit, or (b) any act or omission of yours or any Franchisee Related Parties related to this Agreement or the Franchised Business. If we or any of our Franchisor Related Parties is made a party to a legal proceeding in connection with your act or omission, we may hire counsel to protect our interests and bill you for all costs and expenses incurred by us or any of our Franchisor Related Parties or both, as applicable. You must promptly reimburse us or our Franchisor Related Party or Parties or both, as applicable. In spite of the foregoing, you will not be obligated to indemnify and hold us and our Franchisor Related Parties harmless for expenses, claims, losses, or liabilities based upon or alleging our or our Franchisor Related Party or Parties': 1) gross negligence and/or intentional misconduct; and/or 2) breaches of any agreement to which we or any of our Franchisor Related Parties is bound. You further acknowledge that this obligation to indemnify and reimburse us and our Franchisor Related Parties for costs and expenses, as described above, expressly applies to claims from persons employed by or providing services to you involving allegations of a violation the Fair Labor Standards Act, the Occupational Safety and Health Act, any state workers' compensation act, any state unemployment compensation benefit law or regulation, or any other federal, state or local employment or employee benefit law or regulation, and regardless of the basis of the alleged liability, whether joint employer, ostensible agency, vicarious liability or otherwise. All amounts payable by you under this Section are due upon demand. Your obligations under this Section survive the assignment, termination or expiration of this Agreement.

### **8.5.2. Indemnification by SJB**

We will indemnify and hold you and your Franchisee Related Parties harmless from all expenses, claims, losses, and liabilities of any kind arising from our intentional misfeasance, gross negligence or material breach of our obligations under this Agreement, except to the extent caused by the intentional misfeasance, gross negligence or material breach by you (or your Franchisee Related Parties) of obligations under this Agreement. In spite of the foregoing, we will not be obligated to indemnify and hold you and your Franchisee Related Parties harmless for expenses, claims, losses, or liabilities based upon or alleging: (a) your negligence and/or intentional misconduct and/or the negligence and/or intentional misconduct of your Franchisee Related Party; and/or (b) your breaches or those of your Franchisee Related Party of any agreement to which you or your Franchisee Related Party is bound. This indemnity will continue in full force and effect after and in spite of the Termination of this Agreement.

## **8.6. Covenants**

Due to the valuable and proprietary nature of the Confidential Information, Trade Secrets and other proprietary information included in the **JUICE IT UP!** System and because the unauthorized disclosure and/or use of same would cause irrevocable damage to us and our franchise System, you, your Owners and all Franchisee Related Parties **will not during the term** of this Agreement and subject to the post-termination provisions contained herein, engage in or operate, directly or indirectly as owner (beneficial or otherwise), partner, investor, member, director, officer, employer, employee, principal, agent, franchisor, franchisee, or consultant, or through any corporation or Related Parties, any Similar Business (including any entity granting franchises or licenses or establishing joint ventures to operate Similar Businesses).

For a continuous uninterrupted period commencing upon the expiration or termination of the Franchise Agreement, regardless of the cause, and continuing **for two (2) years thereafter**, you, your Owners and all Franchisee Related Parties will not engage in or operate directly or indirectly as owner (beneficial or otherwise), partner, investor, member, director, officer, employer, employee, principal, agent, franchisor, franchisee, or consultant, or through any corporation or Related Parties, any Similar Business (including any entity granting franchises or licenses or establishing joint ventures to operate Similar Businesses), which also satisfies **either of the following**: (a) if not subject to California law, is within five (5) miles of any **JUICE IT UP** location whether franchised or owned by us or a Franchisor Related Party; **or** (b) if subject to California law, is within five (5) miles of any **JUICE IT UP** location whether franchised or owned by us or a Franchisor Related Party and would inherently involve the disclosure and/or use of our Confidential Information or Trade Secrets. Additionally, neither you nor any of your Owners and/or Franchisee Related Parties may, **during the term of this Agreement and for two (2) years after** its Termination, directly or indirectly, as owner, partner, investor, member, director, officer, employer, employee, principal, agent, franchisor, franchisee, or consultant:

- (a) employ or seek to employ any person who is employed by us, any Franchisor Related Party or any other **JUICE IT UP** franchisee or otherwise induce or attempt to induce such a person to leave his or her employment;
- (b) interfere or attempt to interfere with any business relationship or advantage of ours, our Franchisor Related Parties or any other **JUICE IT UP** franchisee; or
- (c) divert or attempt to divert any customer or business from us, any Franchisor Related Party or any other **JUICE IT UP** franchisee or solicit or attempt to obtain the business of any person who has been a customer of any **JUICE IT UP** franchisee.

You must obtain written nondisclosure and noncompetition agreements, in the form of Attachment 5 to this Agreement, from your Owners, employees, agents and Franchisee Related Parties upon beginning your relationship with each of them. You are responsible for ensuring that the form of any such agreement that you use is in compliance with and enforceable under, local law. You must send us a copy of each signed nondisclosure and noncompetition agreement within ten (10) days after each employee and agent begins his or her relationship with you, and with respect to any Owner or Franchisee Related Parties, within ten (10) days after they assume that status with you.

## **8.7. Guaranty**

If you are an Entity, each of your Owners and the spouse(s) or domestic partner(s), if any, of such individuals, must personally, and unconditionally, guaranty the payment and performance of each of your obligations under this Agreement and the obligations of your employees, agents and Franchisee Related Parties, that are required to sign agreements in the form of Attachment 5. You must cause your Owners to sign and deliver to us the personal guaranty attached as Attachment 6 of this Agreement.

### **8.8. Grant of Security Interest.**

For valuable consideration, as security for the payment of all amounts owing or to be owed by you (and/or any Affiliate of yours) to us (and/or any Affiliate of ours) under this Agreement or any other agreements, and your performance of all obligations thereunder, you hereby grant to us a security interest in all proceeds of your **JUICE IT UP** Unit and in all of the assets, including equipment, store lease, furniture, fixtures and signs, used by, at or in connection with, your **JUICE IT UP** Unit and its related business (the "Collateral"). You will not remove the Collateral or any portion thereof without our prior written consent. You represent and warrant that the security interest granted is prior to all other security interests in the Collateral except for (a) bona fide purchase money security interests and (b) the security interest granted to a third party in connection with your original financing for your **JUICE IT UP** Unit, if any. In connection with any request for our approval of a security interest, we will make commercially reasonable efforts to accommodate reasonable lender's requirements, including the subordination of our interests to the lender's and/or lessor's, as applicable, in our Business Judgment, bearing in mind the interests of the borrower, lender, ourselves and the System. On the occurrence of any event entitling us to Terminate this Agreement or any other agreement between the parties, or if we reasonably determine that we are not assured that your (and/or any Affiliates') obligations will be timely and fully paid and/or performed, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which your **JUICE IT UP** Unit is located, including, without limitation, the right to take possession of the Collateral. You must execute and deliver to us financing statements and/or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of your receipt of such documents from us.

## **9. TRANSFER OR REPURCHASE OF FRANCHISE**

### **9.1. Purpose of Conditions for Approval of Transfer**

Our grant of this franchise is made in reliance upon your integrity, ability, experience and financial resources. Neither this Agreement, the franchise nor the **JUICE IT UP** Unit operated under it may be Transferred unless you have first obtained our written consent, which may not be unreasonably withheld. In order to ensure that no Transfer jeopardizes the Trade Name, the Marks, or our interest in the successful operation of the **JUICE IT UP** Unit, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 and 9.3 of this Agreement and if the conditions described in Section 9.4 are fulfilled.

### **9.2. Notice of Proposed Transfer**

If you would like to Transfer this franchise, you must submit to us: (a) the form of franchise purchase application currently in use by us, completed by the prospective assignee; (b) a written notice, summarizing all the terms and conditions of the proposed Transfer, along with a copy of the signed purchase agreement and escrow instructions, if applicable; (c) the transfer fee described in Article 6 of this Agreement; and (d) the other information, documents and information to be delivered to us in connection with a Transfer, as set forth in the Manual. If the Transfer is not approved by us, we will return the transfer fee to you after deducting direct costs incurred in connection with the proposed Transfer which may result in us retaining the entire transfer fee at a maximum.

### **9.3. Consent by SJB: Right of First Refusal**

We must respond in writing to your written notice within fifteen (15) days after receiving it, or, if we request additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen (15) day period. We may either consent to the Transfer, or notify you of our reason for refusing to consent, or purchase the **JUICE IT UP** Unit from you directly upon the same terms and conditions as those offered by the third party, except that we may substitute a reasonable amount of cash for any non-cash consideration. Silence may not be construed as consent. If we consent to the Transfer, then



you may Transfer the interest described in the notice only to the named assignee and only upon the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer.

#### **9.4. Conditions for Consent to Transfer**

Provided that we do not exercise the right of first refusal set forth in Section 9.3, our consent is subject to certain conditions, including but not limited to:

- (a) That the proposed assignee meets, to our satisfaction, all of the criteria of character, business experience, financial responsibility, net worth and other standards that we, in our Business Judgment, may apply to new, renewing or transferee franchisees at the time of Transfer;
- (b) Payment of all your outstanding debts to us;
- (c) A copy of the Financial Statements and Tax Returns for your **JUICE IT UP** Unit for the prior two (2) year period;
- (d) Cure of all defaults under the Manual, the Franchise Agreement, any other agreement(s) between us or our Affiliates and you;
- (e) At our option, the transferee/assignee shall have either (i) assumed this Agreement by a written assumption agreement approved by us, or agreed to do so at closing, and at closing executes an assumption agreement approved by us; *provided however*, that such assumption shall not relieve you (as transferor/assignor) of any such obligations; or (ii) executed a replacement franchise agreement on the then-current standard form of franchise agreement used by us in the state in which the **JUICE IT UP** Unit is being operated, *provided, however*, that the term of replacement franchise agreement shall be the remaining term of this Agreement, and, at our request, the transferor/assignor shall have executed a continuing guaranty in our favor of the performance and payment by the transferee/assignee of all obligations and debts to us and our Franchisor Related Parties under the replacement franchise agreement;
- (f) At your expense, the **JUICE IT UP** Unit shall be remodeled, modernized and redecorated and the fixtures, equipment, and signs used in the **JUICE IT UP** Unit shall be replaced and modernized so that the **JUICE IT UP** Unit meet the standards of appearance and function applicable to the premises of new **JUICE IT UP** Units at the time of the Transfer;
- (g) The prior receipt of your payment of the transfer fee described in Article 6 of this Agreement;
- (h) Our receipt of an estoppel agreement indicating any and all causes of action, if any, that you may have against us or if none exist, so stating, and a list of all Owners having an interest in this Agreement or in you, the percentage interest of Owner, and a list of all officers and directors, in such form as we may require;
- (i) Completion by the assignee of the our initial training program, to our satisfaction;
- (j) You and any Franchisee Related Parties that are parties to an agreement with us have signed a General Release of known and unknown claims in a form satisfactory to us with respect to past dealings with us and our Franchisor Related Parties;

- (k) Agreement by the assignee to spend at least Two Thousand Five Hundred Dollars (\$2,500) on re-opening promotion during the first ninety (90) days after Transfer, to inform the public of change of ownership;
- (l) each certificate representing an ownership interest in any transferee entity shall have conspicuously endorsed on it, and/or the bylaws or operating agreement shall include, as applicable, a statement that ownership interests are held subject to the restrictions on Transfer provided in this Agreement and copies of such documents, as well as applicable bylaws or operating agreements and articles of incorporation/organization, shall be delivered to us on request.

#### **9.5. Distributions Other Than Transfers**

As used in this Agreement, the term "Transfer" does not mean an assignment to any of your employees under any employee stock option plan or stock purchase plan, provided that any share certificate distributed under such a plan is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement.

#### **9.6. Transfer Upon Death**

If you are an individual and die during the term of this Agreement, your heirs or beneficiaries will have up to sixty (60) days within which to demonstrate to our satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that we require of new franchisees at that time. If we approve your heirs or beneficiaries as assignees of the franchise, we will waive any transfer fee in connection with the Transfer. If we advise your heirs or beneficiaries in writing that we will not approve them as assignees of the franchise, or if we fail to approve or disapprove the Transfer within sixty (60) days following your death, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer or the end of the sixty (60) day period, whichever was first in time, within which to find and notify us of a proposed Transfer to a qualified assignee in conformity with the provisions of Sections 9.2, 9.3, and 9.4 of this Agreement. If your heirs or beneficiaries do not timely advise us within the specified period or the assignee is not qualified, the Franchise Agreement will automatically terminate at the end of the period unless a written extension of time has been granted by us.

#### **9.7. Assignment by SJB**

We may assign this Agreement or any rights or obligations created by it and/or any of our other assets or any or all ownership interests in us, at any time without notice to you or your consent.

#### **9.8. Assignment to a Controlled Entity**

If you are one or more individuals, and in the event that you propose to transfer all of your interest in this Agreement and the assets of the **JUICE IT UP** Unit (including the lease or fee for the premises of the Accepted Location) operated hereunder to a corporation, limited liability company, or Partnership formed by you solely for the convenience of ownership, you may do so (without paying the transfer fee specified in this Agreement), upon receipt of our written consent to such transfer, which consent may be conditioned on the following requirements:

- (a) Upon our request, your delivery to us of a true, correct and complete copy of the transferee Entity's articles of incorporation or articles of organization, bylaws, operating agreement, partnership agreement, ledger of owners and other organizational documents, which provide that its activities are confined exclusively to operating the **JUICE IT UP** Unit;

- (b) That each individual original franchisee directly owns the same legal and beneficial ownership of the Equity and voting rights of the transferee as such person(s) did immediately prior to the Transfer to the transferee Entity;
- (c) Such Entity is in good standing in its jurisdiction of organization and each other jurisdiction where the conduct of its business or the operation of its properties requires it to be so qualified;
- (d) Such Entity conducts no other business than the operation of **JUICE IT UP** Units;
- (e) Such Entity assumes all of the obligations under this Agreement pursuant to written agreement, the form and substance of which shall be acceptable to us, provided that no such assignment will relieve the original party of any of its obligations under this Agreement;
- (f) Each individual comprising you, and all present and future owners (directly or indirectly), in the aggregate, of the Equity or voting rights of you, and the spouse(s) or domestic partner(s), if any, of such individuals, shall execute a written guaranty, in a form prescribed by us, personally, irrevocably and unconditional guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of all of the obligations to us and our Franchisor Related Parties under this Agreement;
- (g) At our request, you must, and must cause each of your Franchisee Related Parties who have executed a franchise agreement and each direct or indirect parent or subsidiary of such Franchisee Related Party, to execute and deliver to us a General Release, on a form prescribed by us of any and all known and unknown claims against us and our Franchisor Related Parties and their officers, directors, agents, shareholders and employees; and
- (h) You must reimburse us for all direct and indirect costs and expense we may incur in connection with the transfer, including attorneys' fees.

#### **9.9. Our Right to Repurchase Your Franchise**

- (a) As used in this Agreement, "Repurchase" includes (but is not limited to) any acquisition by us (and/or any of the Franchisor-Related Party/ies) of your rights in and/or to any of the following: (i) this Agreement; (ii) the Franchise; (iii) the ownership of the Franchisee; (iv) your Franchised Business; or (v) any lease or assets associated with any of the foregoing.
- (b) We have a right, but not an obligation, to exercise our rights of Repurchase at any time. We may exercise this right in our Business Judgment by giving you written notice at any time during the term of this Agreement or at any time on or within one hundred twenty (120) days following the date of Termination/expiration of this Agreement.
- (c) The Repurchase price shall be the **greater** of the following:
  - (i) a multiple of three (3) times the Net Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") defined as follows:

Gross EBITDA in the immediately preceding year less any or all of the following; unpaid royalties and/or advertising fees, unpaid fines or

outstanding financial obligations to us; unpaid sales, property or business income tax, unpaid rent owed to your landlord;

OR

- (ii) the fair market value of the physical assets of the business as determined by an independent third party appraiser, mutually agreed upon by you and us.

If a rental deposit has been held on account by your landlord, you will need to request the return of said deposit to the extent your landlord has not applied it toward repairs or other expenses related to your occupancy.

- (d) Pending the closing of such Repurchase by us, we will have the right to appoint a manager to maintain the operation of your business. You will indemnify and hold us harmless against all obligations incurred in connection with the business prior to the Repurchase. You agree to furnish us with a list of accounts unpaid by you within ten (10) days of our notice of intent to exercise our option to Repurchase.
- (e) The post-term restrictions described in this Agreement, will be continuing obligations of yours. We will receive all Customary Representations and Warranties from you, your owners and your Affiliates and will not assume any liabilities, debts or obligations of yours/your Affiliates in connection with any such Repurchase. As used in this Agreement, "Customary Representations and Warranties" include commitments generally made by a transferor in connection with a transfer of a business and/or related assets, including but not limited to: representations as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, relating to the business/assets/Entity to be acquired; full indemnification obligations and non-competition covenants by the transferor and each Affiliate, substantially similar to those required in this Agreement; the delivery at closing of instruments transferring 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 in our Business Judgment), and demonstrating that all sales, transfer and/or similar taxes are to be paid by the transferor through escrow if we so require; the transfer at closing of all licenses and permits which may be assigned or transferred.
- (f) The total amount due to you from us for the Repurchase will be paid in cash and in two (2) or more installments, as we determine at the time of Repurchase. We can offset against the Repurchase price and any other amounts we owe to you, and any installments thereof, any amounts owed by you to any Affiliates to us, any Franchisor Related Party/ies, or any creditor of yours that we pay. In connection with our exercise of any rights under this Section 9.9, you (and each owner/Affiliate of yours) will execute a General Release that will inure to our benefit.

## **10. TERMINATION OF FRANCHISE**

### **10.1. Termination by Consent of the Parties**

This Agreement may be terminated upon the mutual written consent of the parties.

## **10.2. Termination by SJB**

### **10.2.1. Notice of Default**

- (a) Subject to applicable laws of the jurisdiction in which the **JUICE IT UP** Unit is located to the contrary, you will be deemed in default under this Agreement, and all rights granted herein shall at our election automatically terminate upon notice to you upon the occurrence of any of the defaults described in Sections 10.2.2

(g) through (r) below.

- (b) You will have five (5) days after our written notice of default within which to remedy the default described in subsection 10.2.2 (f) below. If such default is not cured within that time period, or such longer time period as applicable law may require or as we may specify in the notice of default, this Agreement and all rights granted hereby will automatically terminate, without further notice or opportunity to cure.
- (c) You will have thirty (30) days after our written notice of default within which to remedy any of the defaults described in subsections 10.2.2 (a) through (e) below, and to provide evidence of such remedy to us. If any such default is not cured within that time period, or such longer time period as applicable law may require or as we may specify in the notice of default, we may terminate this Agreement and all rights granted by it, without further opportunity to cure.
- (d) In addition to or in lieu of any other rights and remedies provided to us under this Agreement, including any applicable right to terminate this Agreement, we may, in our Business Judgment, assess an amount for each default, whether or not such default has been cured, to cover our administrative costs and/or legal fees associated with any such default, equal to the following:
- (i) Five Hundred Dollars (\$500) for the initial default committed by you under this Agreement, the Manual or any other agreement with us;
  - (ii) One Thousand Dollars (\$1000) for the second default committed by you under this Agreement, the Manual or any other agreement with us; and
  - (iii) Two Thousand Dollars (\$2000) for the third and any subsequent default committed by you under this Agreement, the Manual or any other agreement with us.

The above does not waive any other right or remedy to which we may be entitled under this Agreement or any other agreement between you and us, nor to any relief to which we would otherwise be entitled at law, in equity or otherwise. The parties hereby acknowledge and agree that costs and fees associated with each default are difficult to estimate and can vary depending upon the circumstances and that the above does not constitute a mere penalty but is instead a realistic and fair assessment of the likely costs and fees incurred by us in the event of your default.

### **10.2.2. Events of Default**

Upon the occurrence of any of the following defaults, we at our option, may terminate this Agreement:

- (a) If you fail to submit to us in a timely manner any information you are required to submit under this Agreement;
- (b) If you fail to begin operation of a **JUICE IT UP** Unit by *the earlier of* (i) the Start Date of this Agreement; or (ii) the date that is eighteen (18) months following the date of this Agreement
- (c) If you fail to operate your **JUICE IT UP** Unit in accordance with this Agreement and the Manual, including but not limited to all of the provisions of Article 7 of this Agreement;
- (d) If you breach or fail to substantially perform any obligation under this Agreement or any other agreement with us or our Franchisor Related Parties;
- (e) If you (or any other person required to undergo training) fail to successfully complete any aspect of the applicable training program;
- (f) If you fail to make any payment when due under this Agreement or any other agreement between you and us or a Franchisor Related Party;
- (g) If you misuse the Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if you use in a **JUICE IT UP** Unit any names, marks, systems, logotypes or symbols that we have not authorized you to use;
- (h) If you, and/or any of your Franchisee Related Parties, owns any direct or indirect interest in the operation of any Similar Business, or if you fail to give us a signed copy of the Nondisclosure and Noncompetition Agreement for each of your Franchisee Related Parties within ten (10) days after the Franchisee Related Party assumes that status with you;
- (i) If you attempt to transfer or assign your rights under this Agreement in any manner not authorized by this Agreement;
- (j) If you or your Franchisee Related Party has made any material misrepresentation in connection with the acquisition of a **JUICE IT UP** Unit or to induce us to enter into this Agreement;
- (k) If you act without our prior written approval or consent in regard to any matter for which our prior written approval or consent is expressly required by this Agreement;
- (l) If you cease to operate the **JUICE IT UP** Unit for a period of five (5) consecutive days or more, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or Force Majeure;
- (m) If you fail to promptly relocate on expiration or termination of the lease or sublease for the Accepted Location;
- (n) If, after curing any failure to substantially comply with the requirements of the Franchise Agreement or Manual, you engage in the same non-compliance, whether or not corrected after notice;

- (o) If we make a reasonable determination that the operation of the **JUICE IT UP** Unit poses an imminent danger to public health or safety;
- (p) Except as otherwise required by the United States Bankruptcy Code, if you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization or similar proceeding;
- (q) If there is a seven percent (7%) or greater discrepancy in the payment of royalties or advertising fees payable under this Agreement, or if intentional underreporting of any amount has occurred, your rights in this Agreement may be terminated; or
- (r) If you are convicted of a felony, any criminal offense or any other misconduct involving moral turpitude or which adversely impacts the Marks or the System.

### **10.3. Rights and Obligations After Termination**

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations. We will have no further obligations under this Agreement.

- (a) You must give us a final accounting for the **JUICE IT UP** Unit, pay us within thirty (30) days after Termination all payments due to us, and return the Manual and any other property belonging to us.
- (b) You must immediately and permanently but in no event in excess of thirty (30) days after termination, stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a **JUICE IT UP** Unit;
- (c) You must promptly, but in no event in excess of thirty (30) days after termination, sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us all telephone numbers that have been used in the **JUICE IT UP** Unit, and terminate all other accounts, domain names, Internet addresses/sites, social media accounts or sites and/or other communications services links and references that indicate you are or ever were affiliated with us. By signing this Agreement, you irrevocably appoint us as your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after Termination of this Agreement.
- (d) You must maintain all records required by us under this Agreement for a period of not less than three (3) years after final payment of any amounts you owe to us when this Agreement is Terminated.
- (e) We (and/or any Affiliate of ours), have an option but, unless otherwise required under applicable law, not the obligation, to purchase any or all of the physical assets of the **JUICE IT UP** Unit, including its equipment, supplies and inventory, purchased or paid for under the terms of this Agreement or any ancillary or collateral agreement by you to us or our approved suppliers and sources, that are, at the time of the termination or nonrenewal, in your possession or used by you in the Franchised Business, during a period of one hundred twenty (120) days following the effective date of Termination or nonrenewal, for the price paid by you minus depreciation calculated based on the Modified Accelerated Cost Recovery System (MACRS) method applied in accordance with the applicable standard U.S. Internal Revenue Service schedules effective for the

calendar year immediately preceding the calendar year in which we send you notice of our decision to exercise our option to purchase such assets. You agree to provide us with copies of any income tax returns necessary to confirm the accurate calculation of the above-stated purchase price upon our request. Amounts that you owe to us on Termination will be offset against the amount we pay to you under the above formula. We must send written notice to you within sixty (60) days after Termination of this Agreement of our election to exercise the option to purchase.

You must sign a bill of sale and any other documents necessary to complete the sale on the terms set out above to transfer clear title to such assets.

- (f) We have an option to replace you as lessee under any equipment lease for equipment that is used in connection with the **JUICE IT UP** Unit. Upon request by us, you must give us copies of the leases for all equipment used in the **JUICE IT UP** Unit immediately upon Termination. Upon our request, you must allow us the opportunity, at a mutually satisfactory time, to inspect the leased equipment. We must request the information and access described in this paragraph within fifteen (15) days after Termination; we must advise you of our intention to exercise the option within fifteen (15) days after we have received the information and/or inspected the equipment. We may assume any equipment lease in consideration of our assumption of future obligations under the lease. Upon exercise of this option by us you will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.
- (g) We have an option to replace you as lessee or owner of the premises of the **JUICE IT UP** Unit.

If you rent the premises of the **JUICE IT UP** Unit, we may, at our sole option, be substituted as lessee and assume future obligations under the lease. Upon exercise of this option by us, you may be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

If you own the premises of the **JUICE IT UP** Unit, we may, but are not obligated to, purchase the premises from you in consideration of the fair market value of the property. We must send written notice to you within thirty (30) days after Termination of this Agreement of our election to exercise the option to purchase and must be prepared to close the transaction within sixty (60) days after the fair market value has been determined. If we and you fail to agree upon the fair market value of the property within the option period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after we have given notice of our election to purchase. The appraisers, or a majority of them, must determine the fair market value of the premises of the **JUICE IT UP** Unit. This determination will be final and binding upon both us and you.

- (h) If this Agreement is terminated because of your default, our rights as described above may not necessarily be our exclusive remedies, but will instead supplement any other equitable or legal remedies available to us. If this Agreement is terminated because of your material default, nothing in this Section may be construed to deprive us of the right to recover damages as compensation for lost profits. Termination of this Agreement will not end any obligation of either party that has come into existence before Termination.



All obligations of the parties which by their terms or by reasonable implication are to be performed in whole or in part after Termination will survive Termination.

## **11. DISPUTE RESOLUTION PROVISIONS**

### **11.1. Arbitration.**

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

- (1) this Agreement or any other agreement between you and us or your or our respective affiliates;
- (2) our relationship with you;
- (3) the scope and validity of this Agreement or any other agreement between you and us or any provision of such agreements (including the validity and scope of the arbitration obligations under this subsection 11.1.1, which the parties acknowledge is to be determined by an arbitrator and not a court); or
- (4) any element of the System;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this subsection 11.1.1 otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in Orange County, California. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except as expressly provided otherwise in the remainder of this Section 11.1.1, judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or award any punitive or exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other). All aspects of the arbitration, including statements made and documents produced within the arbitration, will be confidential in nature and will not be admissible in any subsequent legal proceeding.

We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each 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. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with subsection 11.1.7.

We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, members, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this subsection 11.1.1 or subsection 12.8, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this subsection 11.1.1, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 11 (excluding this subsection 11.1.1).

Except as expressly provided otherwise in the remainder of this Section 11, despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this subsection 11.1.1.

The provisions of this subsection 11.1.1 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

## **11.2. Governing Law and Venue.**

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). This Agreement is made in the State of California. Except to the extent governed by the Federal Arbitration Act, The United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement and its provisions shall be governed by and construed and interpreted under the laws of the State of California, without giving effect to any conflict of laws principles, except (1) the provisions of Section 8.6 of this Agreement shall be governed by the laws of the state in which the JUICE IT UP Unit is located; and (2) the provisions of the California Franchise Investment Law and California Franchise Relations Act shall not apply unless they would be otherwise applicable without this Agreement's designation of governing law.

Subject to subsection 11.1.1 above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of competent jurisdiction located in Orange County, California, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this agreement and any arbitration orders and awards in the courts of the state or states in which you are domiciled or the JUICE IT UP Unit is located.

## **11.3. Additional Remedy.**

If you violate Sections 8.4 or 8.6 during or after the term of this Agreement, then our remedies will include (but not be limited to) payment to us by you of \$10,000 per occurrence, such amount having been mutually agreed on by you and us in view of the extreme difficulty in accurately determining the damages suffered as a result of such breach.

#### **11.4. Injunctive Relief.**

You recognize that you are a member of a Franchise Network and that your acts and omissions have an impact on the success of other Units operating under the Marks. Your failure to comply with the terms of your Franchise Agreement is likely to cause irreparable damage to us and to some or all of our other franchisees and to the System. For this reason, you agree that if we can demonstrate to a court of competent jurisdiction that it is likely that you will breach or have breached any of the terms of this Agreement, we will be entitled, without posting a bond, to an injunction restraining the breach, or continued breach and/or to a decree of specific performance, without showing or proving any actual damage, until a final determination is made by a court.

#### **11.5. Waiver of Jury Trial.**

EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OR OMISSIONS OF SJB OR YOU OR ANY OTHER PERSON RELATING TO THIS AGREEMENT, OR ANY OTHER AGREEMENT, PROCEEDING OR OTHER ARBITRATION OR LITIGATION BROUGHT TO RESOLVE ANY DISPUTE ARISING UNDER, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT, DOCUMENT OR INSTRUMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THEREWITH.

#### **11.6. Survival and Enforcement.**

The terms of this Section shall survive termination, expiration or cancellation of this Agreement. If any portion of this Section is deemed to be unenforceable for any reason, it shall be modified or restricted, or severed, so as to comply with applicable law and shall be otherwise enforced according to its terms.

#### **11.7. Costs and Class Action Waiver.**

If any party to this Agreement brings any dispute, controversy, action or proceeding of any type whether in contract, tort, equity or otherwise, (individually and collectively, a "Claim") against another or for a declaration of such party's rights or obligations under this Agreement, whether by judicial or quasi-judicial action or otherwise, the following provisions apply:

- (a) Each party shall bear its own costs and expenses incurred, including, but not limited to, attorneys' fees; *provided*, (i) that the prevailing party shall be entitled to recover from the non-prevailing party reasonable costs and expenses (including reasonable attorneys' fees, court fees, filing fees advanced and expert witness fees, and costs of investigation and other expenses) incurred in connection with the Claims on which it prevailed. For purposes of this Agreement, "prevailing party" includes, without limitation, a party who agrees to dismiss a Claim upon the other party's payment of sums allegedly due or performance of covenants allegedly breached, or who obtains substantially the relief sought. ;
- (b) The parties agree that any proceeding between Franchisor and Franchisee shall be brought as an individual Claim and that no Claim shall be brought on a class-wide basis to the fullest extent permitted by law; and

- (c) Any unwaivable rights to punitive, exemplary, multiple or similar damages Franchisee or Franchisor may have under any statute or regulation shall be fully effective. Otherwise and to the extent permitted by law, any recovery on any Claim under this Agreement shall be limited to actual damages sustained by the injured party, with Franchisee and Franchisor waiving claims for punitive, exemplary, multiple or similar damages

## **12. MISCELLANEOUS PROVISIONS**

### **12.1. Construction of Contract**

Article and section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization by us which you may be required to obtain hereunder may be given or withheld by us in our Business Judgment. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. We and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

### **12.2. Cumulative Remedies**

Unless otherwise expressly stated in this Agreement, the rights and remedies specifically granted to either Franchisee or Franchisor by this Agreement will not be deemed to prohibit either Franchisee or Franchisor from exercising any other right or remedy provided under this Agreement or permitted by law or in equity.

### **12.3. Notices**

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), courier, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Notice of termination or nonrenewal must be given by a receipted form of delivery. Notices regarding updates and changes to, and updates and changes to, the Manual may be delivered by us to you through the Juice Net website or by other electronic means. A posting to the Juice Net website by us of a change or update to the Manual shall be deemed received on the business day following the posting by us. You may not send notices to us electronically.

### **12.4. Amendments**

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

#### **12.5. Discretionary Enforcement**

Franchisor has the right to elect in its discretion to not enforce (or to selectively enforce) any provision of this Agreement or any agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, in a lawful manner without liability or waiver. Franchisor's waiver of any default of this Agreement may not be interpreted as a waiver of any subsequent default.

#### **12.6. Integration**

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise rights it grants. All prior and contemporaneous agreements and representations, other than those included in the SJB Brands, LLC Disclosure Document, are superseded by it. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

#### **12.7. Limitation of Actions**

Neither party may maintain an action against the other party unless a) the party delivers written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to the party, and b) files an action within one (1) year after the notice.

#### **12.8. Severability**

Each provision of this Agreement will be considered severable. If, for any reason, any provision of it is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we determine that the finding of illegality adversely affects the basic consideration for our performance under this Agreement, we may, at our option, terminate it.

#### **12.9. Approval**

If you are an Entity, all officers, managers, general partners and Owners with, must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and franchised Units and limitations on their rights to compete

#### **12.10. General Release**

If you or any of your Franchisee Related Parties has a currently-effective franchise agreement from us, then you shall, and you shall cause your Franchisee Related Parties to, execute and deliver to us a General Release, in a form prescribed by us, of all existing claims against us and our Franchisor Related Parties arising out of those former agreements.

#### **12.11. Submission of Agreement**

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by you and us. You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that you have obtained the advice of counsel in connection with entering into this Agreement, that you understand the nature of this Agreement, and that you intend to comply herewith and be bound hereby.

**12.12. Acceptance by SJB**

This Agreement will not be binding on us unless and until signed by one of our authorized officers.

**12.13. DISCLAIMER OF REPRESENTATIONS**

NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY SJB TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER SJB NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE JUICE IT UP UNIT OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE JUICE IT UP UNIT. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY TO YOU AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed it on the date stated in Article 1.

FRANCHISOR

SJB BRANDS, LLC

By: \_\_\_\_\_  
Chris Braun, Chief Executive Officer

17915 Sky Park Circle,  
Suite J Irvine, CA 92614

*Sign here if "Franchisee" is a natural person*

FRANCHISEE (Individual[s])

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

*Sign here if "Franchisee" is a type of business entity*

FRANCHISEE (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation  
Corporation, LLC or Partnership

By: \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_  
Signature

**ATTACHMENT 1**  
**ACCEPTED LOCATION**

The address of the Accepted Location is:

It is located in the following shopping mall:



## ATTACHMENT 2

### ELECTRONIC FUNDS TRANSFER AGREEMENT

The undersigned depositor ("Depositor") authorizes SJB Brands, LLC ("SJB"), or its designee, to request debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit the account according to SJB's instructions.

\_\_\_\_\_  
Depository

\_\_\_\_\_  
Branch

\_\_\_\_\_  
Street Address, City, State, Zip Code

\_\_\_\_\_  
Bank Transit/ABA Number

\_\_\_\_\_  
Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from SJB and Depositor of the Depositor's termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give SJB and Depositor thirty (30) days' prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor's account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

\_\_\_\_\_  
Depositor

\_\_\_\_\_  
Depository

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

### ATTACHMENT 3

#### **COLLATERAL ASSIGNMENT OF LEASE**

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is entered into as of \_\_\_\_\_, 20\_\_, between \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee") and SJB Brands, LLC, a Delaware limited liability company ("Franchisor").

Subject to the provisions hereof, the Franchisee, to secure its obligations to the Franchisor under the franchise agreement between the Franchisor and the Franchisee for the operation of a Juice It Up® franchise, dated \_\_, 20 (the "Franchise Agreement"), hereby assigns, transfers and sets over unto Franchisor [and/or such person(s)/entity(ies) as Franchisor may from time-to-time designate] all of Franchisee's right, title and interest, whether as tenant or otherwise, in, to and under that certain lease (the "Lease"), a copy of which is attached to this Assignment, dated \_\_\_\_\_, 20\_\_, between Franchisee and \_\_\_\_\_ ("Landlord"), respecting that property commonly known as \_\_\_\_\_ (the "Premises"). The Franchisor shall have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease or otherwise (including, but not limited to, any obligation to pay rent and/or other amounts) until and unless the Franchisor, in its sole and absolute discretion, takes possession of the Premises pursuant to the terms hereof and expressly assumes in writing the rights and obligations of Franchisee under the Lease. The Franchisor is responsible only for those obligations accruing under the Lease after the date of such assumption.

The Franchisee agrees to indemnify and hold harmless the Franchisor from and against all claims and demands of any type, kind or nature made by the Landlord or any third party that arise out of or are in any manner connected with the Franchisee's use and occupancy of the Premises.

The Franchisee represents and warrants to the Franchisor that the Franchisee has full power and authority to assign the Lease and its interest in the Lease.

The Franchisor will not take possession of the Premises until and unless the Franchisee defaults (and/or until there is a termination, cancellation, rescission, repurchase or expiration of the Franchisee's rights) under the Lease, any sublease, the Franchise Agreement or another agreement between the Franchisee and the Franchisor (or any Franchisor Affiliate). In such event, the Franchisor (or its designee) shall have the right, and is hereby empowered, but has no obligation, to take possession of the Premises, and expel Franchisee. In such event, Franchisee shall have no further right, title or interest in or under the Lease or to the Premises, all such rights passing to the Franchisor or its designee, in each case without the Landlord's further consent. The Franchisee agrees to do all acts necessary or appropriate to accomplish such assignment on the Franchisor's request. The Franchisee will reimburse the Franchisor for the costs and expenses incurred in connection with any such retaking, including, without limitation, the payment of any back rent and other payments due under the Lease (whether such payments are made by a separate agreement with the Landlord or otherwise), attorney's fees and expenses of arbitration or litigation incurred in enforcing this Assignment, costs incurred in re-letting the Premises and costs incurred for putting the Premises in good working order and repair.

Franchisee agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Franchisor. Throughout the term of the Franchise Agreement, Franchisee agrees that it shall elect and exercise on a timely basis all options to extend the term, or renew or assume in bankruptcy, the Lease, unless Franchisor consents in writing to an alternative Franchisee site. Upon failure of Franchisee to so elect to extend or renew or assume the Lease, Franchisee hereby appoints Franchisor as its true and lawful attorney-in-fact to exercise such options in the name, place and stead of Franchisee for the sole purpose of effecting any extension, renewal or assumption, in each case for the account of the Franchisee and without any liability or obligation of the Franchisor.

Failure of the Franchisor to exercise any remedy hereunder shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of the Franchisor under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which the Franchisor shall have under or by virtue of the Franchise Agreement or otherwise. The terms, covenants, and conditions contained herein shall bind the Franchisee and its successors and assigns, and inure to the benefit of the Franchisor and its successors and assigns. In the event of any dispute between the parties regarding this Assignment, or any matter related in any way to it, the dispute resolution provisions of the Franchise Agreement between the Franchisor and the Franchisee shall apply. The prevailing party in any legal action necessary to enforce the terms of this Collateral Assignment, will be entitled to recover its reasonable court costs and attorney fees, as determined by a court. If there is more than one Franchisee, their obligations hereunder will be joint and several.

This Assignment, any memorandum hereof or any financial statement related hereto may be recorded by, and at the expense of, the Franchisor. The Franchisee hereby appoints the Franchisor as its attorney in fact to execute any and all documents and to take any and all such actions, as are necessary or appropriate to record such instrument referenced above.

Nothing contained in this Assignment shall diminish any obligations or covenants of the Franchisee owed under its Franchise Agreement with the Franchisor, including, without limitation, any post-termination covenant not to compete. Terms not otherwise defined in this Attachment have the same meanings as stated in the Franchise Agreement. Franchisee and Franchisor shall be bound to this Collateral Assignment regardless of whether or not the attached Landlord Approval is provided by Landlord.

FRANCHISEE:

SJB BRANDS, LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Chris Braun, Chief Executive Officer

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Its: \_\_\_\_\_

## LANDLORD APPROVAL:

The undersigned Landlord under the Lease hereby:

1. Agrees to notify Franchisor in writing of any proposed Lease amendment concurrently with delivery of such notice to Franchisee, and of any default and any failure of Franchisee to cure any default under the Lease, as provided in the Lease or addendum of even date;
2. Agrees that Franchisor shall have the right, but not be obligated, to cure any default by Franchisee as provided in the Lease or addendum of even date within the same period of time, if any, given to Franchisee to cure such default as provided in the Lease or addendum of even date;
3. Consents to the foregoing Collateral Assignment and agrees that if Franchisor takes possession of the Premises and confirms in writing to Landlord the assumption of the Lease by Franchisor as tenant, Landlord shall recognize Franchisor, or its Affiliate or designee, as tenant under the Lease;
4. Agrees that following such assumption of the Lease by Franchisor, Franchisor may further assign the Lease or sublet the Premises to a designee and/or a person or entity who is a franchise owner reasonably acceptable to Landlord. Franchisor will have no further liability under the Lease from and after such an assignment. The Approval of Landlord shall be required for any subsequent assignment or sublease of the Lease or the leased premises, as provided in the Lease;
5. Agrees to provide a copy of this Collateral Assignment of Lease to any actual and/or prospective purchaser of the Premises.

LANDLORD

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone No. \_\_\_\_\_

Fax No. \_\_\_\_\_

Email address: \_\_\_\_\_

**PREMISES LEASE ATTACHED**  
**TO COLLATERAL ASSIGNMENT OF LEASE**

ATTACHMENT 4

CONDITIONAL ASSIGNMENT  
OF TELEPHONE NUMBERS, EMAIL OR DOMAIN ADDRESSES, SOCIAL MEDIA  
AND SIMILAR ACCOUNTS, AND URLS

1. \_\_\_\_\_ ("Assignor") [franchisee's legal name], doing business at \_\_\_\_\_ [location of franchisee's business] in exchange for valuable consideration provided by SJB Brands, LLC ("Assignee"), receipt of which is acknowledged by this document, assigns to Assignee all telephone numbers, email addresses, domain names/URLs, Internet addresses/sites, social media accounts or sites and/or other communications services links used by Assignor now or in the future in the operation of a **JUICE IT UP** Unit business in \_\_\_\_\_ [city or county where franchised business is located].

2. This assignment will become automatically effective upon termination of Assignor's **JUICE IT UP** franchise. Upon termination of the franchise, Assignor promises to do whatever is necessary to cause the companies providing service to the Assignor to promptly transfer of numbers, accounts, addresses, and associated listings to Assignee or its designee.

3. Assignor agrees to pay the telephone company, domain registry, social media account provider or other communications services link used by Assignor, on or before the effective date of assignment all amounts it owes the telephone company in connection with his, her, or its use of the telephone number or numbers, including payment for advertisements in the classified telephone directory. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company to carry out the Franchise Agreement and promises to cooperate fully with Assignee in making the necessary arrangements to carry out the assignment.

Dated: \_\_\_\_\_

ASSIGNOR

By: \_\_\_\_\_

## ATTACHMENT 5

### NONDISCLOSURE AND NONCOMPETITION AGREEMENT

(For Franchisee Managers, Assistant Managers and Franchisee Owners)

In consideration of, and as an inducement to i) the undersigned's at will employment by \_\_\_\_\_ (hereinafter "Franchisee") as a manager or assistant manager for Franchisee's JUICE IT UP! Unit, or ii) execution by SJB Brands, LLC ("SJB") of that certain Franchise Agreement for the operation of a JUICE IT UP Unit dated \_\_\_\_\_, 20\_\_\_\_, by and between SJB and Franchisee, the undersigned holder of an equity position in Franchisee ("Owner"), Unit manager or assistant manager (collectively, "Confidant") agrees as follows:

#### **1. Nondisclosure of Trade Secrets and Confidential Information**

Confidant agrees, **during the term** of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of SJB to any other person or Entity unless authorized in writing and in advance by SJB. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant's work product. If Confidant has assisted in the preparation of any information that SJB considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to SJB, including all ideas made or conceived by Confidant.

#### **2. Definition of Trade Secrets and Confidential Information**

For purposes of this Agreement, the term "Trade Secrets" means any proprietary information, including a formula, pattern, compilation, program, recipe, product formulation, conceptual material, device, drawing, design plan, proposal, marketing plan, financial data, financial plan, business form, order information, material cost information, manual or instructional material, product plan, password, customer or suppliers list, knowledge, technique, process or information made known or available to Confidant; that are not commonly known by or available to the public and that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. **"Confidential Information"** means technical and non-technical information designated by SJB for use in or related to a JUICE IT UP! franchised business and not commonly known by or available to the public, including, without limitation, Trade Secrets and any other information identified or labeled as confidential when delivered by SJB, business layouts and facility specifications; recipes and formulas; food and any food preparation techniques; training materials and manuals, facility and other drawings and designs; and information regarding customers and suppliers, including any statistical and/or financial information and all related lists. **Exclusions.** "Confidential Information" is not intended to include any information that:

- i) \_\_\_\_\_ is or subsequently becomes publicly available other than by Confidant's breach of any obligation;
- ii) \_\_\_\_\_ was known by Confidant prior to becoming a JUICE IT UP! Franchisee Owner or employee of Franchisee;
- iii) \_\_\_\_\_ became known to Confidant other than through a breach by Confidant of a legal obligation; or

iv) is independently developed by Confidant unrelated to its JUICE IT UP! Franchisee operations and/or employment.

Confidant's only interest in any of Confidential Information or in any Trade Secret is the right to use it pursuant to this Agreement. The Trade Secrets and Confidential Information described in this Agreement are the sole property of SJB.

### **3. Return of Proprietary Materials**

Upon termination of the Franchise Agreement or Confidant's ownership interest in or employment by Franchisee, Confidant must surrender to SJB all materials considered proprietary by SJB, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or the conduct of the System or internal operations of Franchisee or SJB.

Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of SJB.

### **4. Solicitation of Confidants**

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of SJB, or the competitor's franchisees, or the competitor's subsidiaries, the name of any person who is employed by SJB or by any other franchisee of SJB.

### **5. Noncompetition**

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to SJB, Confidant **will not, during** Confidant's employment with Franchisee or while Confidant owns an equity interest in Franchisee and subject to the post-termination provisions of the Franchise Agreement as applicable, engage in or operate, directly or indirectly, or through any corporations or related parties (which includes any company(ies) and/or person(s) acting through, in concert with Confidant or as an Affiliate, partner, shareholder, officer, director, agent, or employee thereof) any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are the same as or substantially similar to those goods, products and/or services now or in the future authorized by SJB to be offered at or from a Juice It Up® unit (including any such enterprise and/or Entity awarding franchises or licenses to operate or be involved with any such business).

For a continuous uninterrupted period commencing upon Confidant's separation of employment with any JUICE IT UP! franchisee or expiration or termination of Confidant's ownership interest in a **JUICE IT UP** unit or Entity owning a unit and continuing for **two (2) years thereafter**, Confidant will not engage in or operate, directly or indirectly, or through any corporations or related parties (which includes any company(ies) and/or person(s) acting through, in concert with Confidant or as an Affiliate, partner, shareholder, officer, director, agent, or employees thereof) **any enterprise** that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, products and/or services now or in the future authorized by SJB to be offered at or from a Juice It Up® unit (including any such enterprise and/or Entity awarding franchises or licenses to operate or be involved with any such business), **and either of the following apply:** (a) if not subject to California law, such enterprise is within five (5) miles of any **JUICE IT UP** location; **or** (b) if subject to California law, such enterprise is within (5) miles of any **JUICE IT UP** location and would inherently involve the disclosure and/or use of Confidential Information or Trade Secrets.



**6. Saving Provision**

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all facts and circumstances of the relationship between the parties and SJB; however, Confidant is aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, the parties agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be considered modified to restrict Confidant's unfair competition and/or unauthorized use of SJB's Confidential Information or Trade Secrets to the maximum extent to which the court or arbitrator finds enforceable.

**7. Irreparable Harm to SJB**

Confidant understands and agrees that SJB will suffer irreparable injury that cannot be precisely measured in monetary damages if its Trade Secrets, Confidential Information or proprietary information is obtained by any person, firm or corporation and is used in competition with SJB in violation of this Agreement. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of SJB for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

If you violate this Agreement during or after the term hereof, then SJB's remedies will include (but not be limited to) payment to SJB by you of Five Thousand Dollars (\$5,000) per occurrence, such amount having been mutually agreed on by the parties as reasonable in view of the extreme difficulty of accurately determining the damages suffered as a result of such breach.

**8. Binding Effect**

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed thereby.

**9. Applicable Law**

The validity of this Agreement will be governed by the laws of the state where Confidant lives. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

\_\_\_\_\_  
*Confidant's signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Printed name*

## ATTACHMENT 6

### PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

Each of the undersigned, to induce SJB Brands, LLC ("SJB") to enter into or permit assignment of a certain **JUICE IT UP** Franchise Agreement, dated \_\_\_\_\_, with \_\_\_\_\_ [Franchisee's Legal Name] ("Franchisee"), unconditionally, jointly and severally, personally guarantees to SJB, its successors, or its assignees, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to SJB, including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Franchise Agreement were signed between SJB and the undersigned directly, as Franchisee.

Each of the undersigned expressly waives notice of the acceptance by SJB to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to SJB, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between SJB and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of Franchisee's obligations or liability to SJB, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Personal Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Personal Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by SJB of whatever remedies it may have against Franchisee or others, or the enforcement of any lien or realization upon any security SJB may at any time possess. The undersigned hereby further waives all rights to revoke this Personal Guaranty at any time, and all rights to revoke any agreement executed by the undersigned at any time to secure the payment and performance of the undersigned obligations under this Personal Guaranty.

The undersigned agrees that any current or future indebtedness by Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to SJB. The undersigned will promptly modify

any financing statements on file with state agencies to specify that SJB's rights are senior to those of the undersigned.

The undersigned further agrees that as long as Franchisee owes any money to SJB (other than royalty and advertising fund payments that are not past due) Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of SJB.

The undersigned further agrees to be personally bound to perform the obligations and to refrain from performing the acts prohibited by the provisions of Sections 8.4 (Confidentiality) and 8.6 (Covenants) of the Franchise Agreement as though the undersigned had signed the Franchise Agreement in the capacity of franchisee. The undersigned consents to be bound by the provisions of Section 11 of the Franchise Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of this Personal Guaranty or Sections 8.4 and 8.6 of the Franchise Agreement.

In connection with any arbitration or litigation to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in this it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned have signed this guaranty on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse  
or Domestic Partner)

\_\_\_\_\_  
(Printed name)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse  
or Domestic Partner)

\_\_\_\_\_  
(Printed name)

## **ATTACHMENT 7**

### **TERMS OF USE JUICE NET**

SJB Brands, LLC ("SJB" or "We") has developed a password controlled, restricted access website that allows our franchisees and certain of their employees to view and print portions of our confidential Manual, to download approved local advertising materials, to communicate with us and each other, and to view other proprietary documents. We call this facility the Juice Net website. The Juice Net website may provide other functions and enable other communication between you and us, other franchisees and vendors and suppliers of the SJB system.

Following are the terms and conditions of use of the Juice Net website ("Terms of Use"). Please read them carefully. When you respond to this notice by signing the back page of this agreement with this statement: "I AGREE TO BE BOUND BY ALL OF THE JUICE IT UP JUICE NET TERMS OF USE", either by sending it via mail or fax, we will issue a special User ID and one password to you. By logging onto the Juice Net website the first time, you confirm that you are eligible to access the Juice Net website and that you agree to observe and be bound by all these Terms of Use. Also, by accessing any of the Software (defined below) through the Juice Net website or otherwise, you agree to observe and be bound by the terms of use stated herein and any additional conditions that any licensor of the Software imposes on the use of its product. If we are providing you access to any Software under a master license we hold from the Software owner, this Terms of Use constitutes a sublicense of the Software to you on the terms and conditions contained herein.

#### **Section 1: Introduction**

Because the Juice Net website will continually evolve and because we may change, supplement or delete any of its functions, we reserve the right to modify these Terms of Use in the same manner we modify, amend or supplement our Manual. These Terms of Use constitute a part of the Manual.

The Juice Net website is provided "AS-IS" and "AS AVAILABLE". We assume no responsibility for the timeliness, deletion, mis-delivery or failure to store any of your communications or settings.

To use the Juice Net website, you must be able to access the World Wide Web, and you must pay any Internet access fees associated with your access. You must also pay for and provide all equipment and software necessary to connect to the World Wide Web, including a computer and modem or other access device and/or software.

#### **Section 2: Passwords and Security**

You will receive your User ID and a Level 1 Password from the system administrator. You must take care to maintain the confidentiality of your password and User ID. Neither you nor your employees may use another person's User ID and passwords to access the Juice Net website.

Your User ID and password are unique to you. You should memorize your User ID and password. If you need to write them down, do not record or store your User ID at the same place you record or store your password. You are responsible for maintaining the confidentiality of your User ID and password, and you are responsible for all activities that occur under your User ID and password. If you are a franchisee, you are also responsible for the use your employees make of their User IDs and passwords.

You agree (a) to notify the system administrator immediately of any unauthorized use of your User ID or password, or any other breach of security that comes to your attention, and (b) to log out of your Juice Net website account at the end of each session.

We cannot and will not be liable for any loss or damage arising from your failure to comply with the requirements stated in this Section 2.

### **Section 3: Privacy and Data Collection**

We will record your User ID and password when we issue them to you. We record each instance that your User ID and password are used to access the Juice Net website. We may also record the time and duration of each session of your User ID's use of the Juice Net website. We may also record when and the number of instances that you access certain information on the Juice Net website, such as when you open an update to the Manual or the number of instances and how often you access the Manual. We will not provide information you provide about your customer base, customer profile and other demographic information to our advertisers and suppliers without your prior written consent. In addition, your first and last name will be transmitted with each message sent under your User ID.

We have the technical capability to access and examine any User Content (defined in Section 5) that you post on the Juice Net website, including any User Content you transmit via e-mail or that you post on a chat room or bulletin board. Although we possess this capability, we will not routinely monitor your communications with other SJB franchise operators. However, we reserve the right to examine any User Content with respect to which we receive a complaint and to take appropriate action to address the complaint, including, without limitation, removing or deleting User Content. Further, we agree not to disclose your communications with other SJB franchise operators to any third party except in response to a subpoena or court order, and then only after we have given you notice of the subpoena or court order and a reasonable opportunity to contest it.

### **Section 4: Confidentiality of Certain Information**

You agree that the Manual and all other information we make accessible to you through the Juice Net website constitute confidential information, and that you will receive and hold all such information in compliance with your Franchise Agreement.

Further, you agree not to attempt to access the databases in which we store User Content (defined in Section 5), particularly information concerning facilities reservations or financial data that other franchisees submit.

### **Section 5: Conduct**

As a condition of your continuing use of the Juice Net website, you promise that you will not use the Juice Net website for any purpose that is unlawful or prohibited by these Terms of Use. We provide the Juice Net website to franchisees, their employees and our approved suppliers only for exchanges of information and other uses directly related to the SJB system. You may use the Juice Net website only for purposes related to the operation of your franchise and not for personal or unrelated business use. Any unauthorized use of the Juice Net website is expressly prohibited, and we reserve the right to delete inappropriate material and to suspend the account of any person who uses the Juice Net website for an unauthorized purpose.

You should understand that all messages, data, text, photographs, graphics, video and other materials or information transmitted via the Juice Net website (except information that we post), whether posted for general viewing or transmitted privately ("User Content"), are the sole responsibility of the person from which an item of User Content originated. If you upload, post, e-mail or otherwise transmit any User Content, you are responsible for its compliance with these Terms of Use. We do not screen, edit or control User Content, and we do not accept responsibility for its truthfulness, accuracy or suitability. Under no circumstances will we be liable in any way for any User Content, including errors or omissions in any User Content, or for any loss or damage of any kind incurred as a result of the use of any User Content posted, e-mailed or otherwise transmitted via the Juice Net website.

You agree not to use the Juice Net website to:

1. upload, post, e-mail or otherwise transmit any User Content that is unlawful, harmful, threatening, abusive, harassing, tortious, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise offensive;
2. impersonate any person or Entity;
3. disguise the authorship or origin of any User Content you transmit;
4. upload, post, e-mail or otherwise transmit any User Content that you do not have a right to transmit under any law or under contractual or fiduciary relationships (such as inside information, proprietary information and confidential information);
5. upload, post, e-mail or otherwise transmit any User Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any person;
6. upload, post, e-mail or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," or any other form of solicitation;
7. upload, post, e-mail or otherwise transmit any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;
8. disrupt the normal flow of dialogue, cause a screen to "scroll" faster than normal, or otherwise act in a manner that negatively affects other users' ability to engage in orderly exchanges;
9. interfere with or disrupt servers or networks connected to the Juice Net website;
10. "stalk" or otherwise harass another; or
11. collect or store personal data about other users.

We reserve the right, in our Business Judgment, to block or remove any objectionable User Content that you transmit or make available via the Juice Net website. Without limiting the breadth of our right, you are advised that we have the right to remove any User Content that violates these Terms of Use, your Franchise Agreement or is otherwise objectionable (in our determination).

We store and preserve User Content in accordance with established policy and may disclose it if required by law or in the good faith belief that such disclosure is reasonably necessary (a) to comply with legal process, (b) to enforce these Terms of Use, (c) to respond to claims that any User Content violates the rights of third-parties, or (d) to protect the rights, property and personal safety of SJB and its employees, franchisees and suppliers.

We may transmit and store your User Content over various networks, computer servers and other technological means, and we may modify your User Content to conform and adapt it to technical requirements of connecting networks or devices.

We will immediately suspend or terminate the rights of any User ID that we believe, in our Business Judgment, is being used to disseminate spam or other unsolicited bulk e-mail. In addition, because damages are difficult to quantify, you agree to pay us liquidated damages of \$5 for each piece of spam or unsolicited bulk e-mail transmitted under or otherwise associated with your User ID.

## **Section 6: Ownership of User Content**

Any User Content that you transmit via the Juice Net website shall be our property, and we may reproduce, distribute, transmit, publish, sell or otherwise commercially exploit any such User Content in any manner or through any medium we choose.

## **Section 7: Indemnity**

You indemnify and agree to hold us, and our subsidiaries, Affiliates, directors, officers, agents, co-branders or other partners, and employees, harmless from any claim or demand, including reasonable attorneys' fees, made by any third party with respect to or arising out of User Content you submit, post to or transmit through the Juice Net website, your use of the Juice Net website, your violation of these Terms of Service, or your violation of any rights of another.

## **Section 8: Use and Storage**

We may establish general practices and limits concerning use of the Juice Net website, including the maximum number of days that e-mail messages, message board postings or other uploaded User Content will be retained on or by the Juice Net website, the maximum disk space that will be allotted on our servers on your behalf, and the maximum number of times (and the maximum duration for which) you may access the Juice Net website in a given period. We disclaim any responsibility or liability for the deletion or failure to store any messages and other communications or other User Content maintained or transmitted by the Juice Net website. We have the right to change these general practices and limits at any time, in our Business Judgment, with or without notice.

## **Section 9: Modifications to Juice Net Website**

We reserve the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Juice Net website (or any of its features), with or without notice. You agree that we shall not be liable to you or to any third party for any modification, suspension or discontinuance of the Juice Net website.

## **Section 10: Termination**

We may suspend your password, your e-mail account or other use of the Juice Net website, and remove and discard any of your User Content if you violate these Terms of Use or if you violate or breach any other obligation under your Franchise Agreement. Any violation or breach of these Terms of Use by you or your employees will be deemed a breach of your Franchise Agreement. In addition to any other rights or remedies we may have, if you repeatedly breach these Terms of Use, we may terminate your password, e-mail account or other use of the Juice Net website. We shall not be liable to you or any third-party for any termination or suspension of your access to the Juice Net website.

We may terminate these Terms of Use and the Juice Net website at any time, with or without notice to you.

## **Section 11: Links and Advertising**

The Juice Net website may provide, or third parties (i.e., other franchisees) may provide, links to other World Wide Web sites or resources. We are not responsible for the availability of such external sites or resources, and we neither endorse nor assume any responsibility for any content, advertising, products, or other materials on or available from such sites or resources. We will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.



Your business dealings with, or participation in promotions of, advertisers found on or through the Juice Net website, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between you and the advertiser. We shall not be responsible or liable for any loss or damage of any kind you incur as the result of any such dealings or as the result of the presence of such advertisers on the Juice Net website.

We may link the Juice Net website to the websites of third parties, including, other electronic service providers, Affiliates and other providers of goods and services.

We may place legal notices, disclaimers, our corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on the Juice Net website, all of which we may modify, expand or eliminate at our option. All consideration (monetary and non-monetary) received by us on account of the placement or sale of advertisements, endorsements and sponsorships on the Juice Net website will belong only to us.

## **Section 12: Intellectual Property Rights**

We grant you a personal, non-transferable and non-exclusive right and license to use the object code of the Software (defined below) on your computers. You promise:

- not to copy, modify, create a derivative work of, reverse engineer, reverse assemble or otherwise attempt to discover any source code, or to sell, assign, sublicense, grant a security interest in or otherwise transfer any right in the Software, either directly or through your employees or independent contractors;
- not to modify the Software in any manner or form, or to use modified versions of the Software for any purpose, including (without limitation) that of obtaining unauthorized access to the Juice Net website;
- not to use any of the Software for any purpose except for the operation and management of your SJB franchise in compliance with the Manual and your Franchise Agreement;
- not to access the Juice Net website by any means other than the interface that we provide for use in accessing the Juice Net website;
- to use the Software in compliance with the terms of the license agreement between us and the owner of any Software that we license from a third party (copies or summaries of which we will furnish to you upon request); and
- not to access the Juice Net website by any means other than the interface that we provide for use in accessing the Juice Net website.

As between you and us, we are the owner (or primary licensee) of, and will retain all right, title and interest in and to the Software, all Owner Content (as defined below) prepared for, or used on, the Juice Net website, and all intellectual property rights in or to any of them.

"Owner Content" means all text, images, sounds, files, videos, designs, animations, layouts, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through the Juice Net website that we post or provide.

"Software" means computer programs and computer code (e.g., HTML, Java) used for, with or on the Juice Net website.

We reserve the right to add licenses or sublicenses for additional software programs and to withdraw the licenses or sublicenses for any software program listed above. You agree to the terms of any license or sublicense we add and to our deletion of any such program by logging onto the Juice Net website after we post notice of a change on the Juice Net website splash page.

### **Section 13: Disclaimer of Warranties**

YOU EXPRESSLY UNDERSTAND AND AGREE THAT:

1. YOUR USE OF THE JUICE NET WEBSITE IS AT YOUR SOLE RISK. THE JUICE NET WEBSITE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON- INFRINGEMENT.
2. WE MAKE NO WARRANTY THAT (I) THE JUICE NET WEBSITE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (II) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE JUICE NET WEBSITE WILL BE ACCURATE OR RELIABLE, (III) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL YOU PURCHASE OR OBTAIN THROUGH THE JUICE NET WEBSITE WILL MEET YOUR EXPECTATIONS, AND (IV) ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED.

### **Section 14: Limitation of Liability**

YOU EXPRESSLY UNDERSTAND AND AGREE THAT NEITHER WE NOR OUR AFFILIATES, CONTRACTORS, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM:

(I) YOUR USE OF OR INABILITY TO USE THE JUICE NET WEBSITE; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE JUICE NET WEBSITE; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS, DATA OR OTHER USER CONTENT; (IV) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE JUICE NET WEBSITE; OR (V) ANY OTHER MATTER RELATING TO THE JUICE NET WEBSITE.

### **Section 15: Notices**

Notices to you or us may be made by any manner permitted in your Franchise Agreement. In addition, the Juice Net website may also provide notices of changes to these Terms of Use or other matters by displaying notices or links to notices to you generally on the Juice Net website.

### **Section 16: General**

These Terms of Use and the provisions of your Franchise Agreement constitute the entire agreement between you and us relating to your use of the Juice Net website and govern your use of the Juice Net website, superseding any prior agreements between you and us. You also may be subject to additional terms and

conditions that may apply when you use Affiliate services, third-party content or third-party software. These Terms of Use and the relationship between you and us shall be governed by the laws of the State of California without regard to its conflict of law provisions. Any dispute regarding the terms and conditions of these Terms of Use shall be resolved in accordance with the dispute resolution procedures set forth in your franchise agreement.

Our failure to exercise or enforce any right or provision of these Terms of Use shall not constitute a waiver of such right or provision. If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of these Terms of Use remain in full force and effect. You agree that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Juice Net website or these Terms of Use must be filed within one year after such claim or cause of action arose or be forever barred. The section titles in these Terms of Use are for convenience only and have no legal or contractual effect.

### **Section 17: Violations**

Please report any violations of these Terms of Use to the system administrator.

In consideration for access of the Juice Net website, I hereby agree and assent to these Terms of Use.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT 8

### GENERAL RELEASING LANGUAGE

Current Form of Releasing Language  
(subject to change by Franchisor)  
*(This is a Form - NOT for Signature)*

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, known or unknown, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Related Parties are hereby forever canceled and forgiven.

THE FRANCHISEE(S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"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."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED CENTER; provided that if this Release is given in connection with the award of a franchise, then this release shall not apply to Claims relating to the offer and sale of such franchise under the California Franchise Investment Law or any rule or order issued thereunder.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor Related Parties or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials: \_\_\_\_\_

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may

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SJB Brands, LLC  
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have against any or all of the Franchisor Related Parties, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor Related Parties as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials: \_\_\_\_\_

**Attorneys' Fees.** If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Related Parties any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Related Parties incurring such costs.

Franchisee(s) Initials: \_\_\_\_\_

**"Franchisor Related Parties."** Franchisor, Franchisor's Affiliates, any advertising fund, any Franchisee Advisory Group or Marketing Advisory Council and each of the following, whether past, current or future: companies and/or persons acting through and/or in concert with us and/or with any of the foregoing; partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of ours and/or of any of the foregoing; and predecessors, successors and/or assigns of ours and/or of any of the foregoing.

Franchisee(s) Initials: \_\_\_\_\_

**Date of Releases, Joint and Several Liability.** The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/Entity providing releases to the Franchisor Related Parties) shall be joint and several.

Franchisee(s) Initials: \_\_\_\_\_

## ATTACHMENT 9

### SBA ADDENDUM

*(FOR FRANCHISEES WITH SBA FUNDING ONLY)*

This SBA ADDENDUM TO JUICE IT UP FRANCHISE AGREEMENT (the "Addendum") is made and entered into on \_\_\_\_\_, 20\_\_, by and between SJB Brands, LLC, a Delaware limited liability company located at 17915 Sky Park Circle, Suite J, Irvine, California 92614 ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ located at \_\_\_\_\_ ("Franchisee").

### RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement on \_\_\_\_\_, 20\_\_ (the "Franchise Agreement"). Franchisee agreed among other things to operate and maintain a franchise located at \_\_\_\_\_ designated by Franchisor as Unit #\_ (the "Unit").

B. Franchisee has obtained from a lender a loan (the "Loan") in which funding is provided with the assistance of the United States Small Business Administration (the "SBA"). The SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable considerations in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. The Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured as of the date hereof.
2. Section 3.4 of the Franchise Agreement grants to Franchisor the right to exercise its judgment however it considers appropriate in its business judgment, without any limitation. The parties hereto acknowledge and agree that Section 3.4 of the Franchise Agreement is qualified by and subject to items 7 and 8 of this Addendum and Section 9.1 of the Franchise Agreement, which provide that Franchisor will not unreasonably withhold its consent to a transfer under the subject terms.
3. Section 3.27 of the Franchise Agreement provides for a start date as defined in the said section. For the avoidance of doubt, Franchisor and Franchisee agree and affirm that the Franchise Agreement is deemed effective upon signing of the same by the parties hereto.
4. Section 8.7 of the Franchise Agreement, in relation to the Personal Guaranty and Subordination Agreement, is hereby amended to provide that, notwithstanding the terms of Section 8.7 and Attachment 6 to the Franchise Agreement (Personal Guaranty), a guarantor will not be responsible for Franchisee's conduct occurring, or its obligations incurred, subsequent to the date of transfer of such guarantor's interest in the Franchise Agreement.
5. Notwithstanding the provisions of Section 8.8 of the Franchise Agreement, except for security interests in favor of an SBA commercial lender (which will have first priority over Franchisor's security interest), no person has (or, in the case of after-acquired collateral, at the time franchisee acquires rights therein, will have) any right, title, claim, or interest (by way of security interest or other lien or charge) in, against or to the collateral.

6. Section 9.3 of the Franchise Agreement is amended to provide that notwithstanding any language to the contrary in Section 9.3 of the Franchise Agreement, neither Franchisor nor its assignees will exercise a right of first refusal for any partial transfer of the franchised business. However, Franchisor and its assignees reserve the right to acquire 100% ownership of the franchised business, as provided in Section 9.3 of the Franchise Agreement.

7. In cases of transfers upon death, Section 9.6 of the Franchise Agreement is amended to the effect that Franchisor will not unreasonably withhold, delay, or condition its consent to any transfer to or by an heir or beneficiary.

8. In cases of transfers to a controlled entity, Section 9.8 of the Franchise Agreement is amended to the effect that Franchisor will not unreasonably withhold, delay, or condition its consent in connection with such a transfer.

9. Section 9.9 of the Franchise Agreement is hereby deleted.

10. Notwithstanding anything to the contrary in Section 10.3 (g) of the Franchise Agreement, neither Franchisor nor its affiliates will have the option to purchase any real estate owned by Franchisee. The franchisor, however, may lease the real estate for the remainder of Franchisee's term (excluding additional renewals) for fair market value.

11. This Addendum automatically terminates on the earliest to occur of the following: (i) a termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) the SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this SBA Addendum to Juice It Up Franchise Agreement as of the day and year first above written.

**FRANCHISOR:**

**SJB Brands, LLC**

By: \_\_\_\_\_  
Print Name: Chris Braun  
Title: Chief Executive Officer

**FRANCHISEE:**

By: \_\_\_\_\_  
Print Name:  
Title:



## FRANCHISOR<sup>1</sup> CERTIFICATION

### FOR USE WITH SBA NEGOTIATED ADDENDUM

Full legal name of Franchisor:

*This Certification is to be used only if (1) the 2015 or 2016 version of the Franchisor's franchise agreement<sup>2</sup> was reviewed by SBA and (2) a franchisee applying for SBA financial assistance is or will be operating under a version of the Franchisor's franchise agreement (the "Current Franchise Agreement") that (a) includes the SBA Negotiated Addendum (as defined below) and (b) the terms of which that affect "affiliation" between the franchisor and the franchisee (as defined in 13 CFR part 121 and SOP 50 10) are unchanged from the franchise agreement reviewed by SBA.*

Franchisor certifies that SBA has previously reviewed its 2016 franchise agreement, including an addendum (the "SBA Negotiated Addendum"), for the above referenced franchise and determined that the franchise agreement with the SBA Negotiated Addendum did not create an affiliate relationship between the Franchisee and Franchisor. Franchisor further certifies that the Current Franchise Agreement includes the SBA Negotiated Addendum and that the terms of the Current Franchise Agreement, entered into on \_\_\_\_\_, 20\_\_, with \_\_\_\_\_ ("Franchisee"), an applicant for SBA financial assistance, that affect "affiliation" between the franchisor and the franchisee (as defined in 13 CFR part 121 and SOP 50 10) have not changed from those appearing in the franchise agreement reviewed by SBA.

Franchisor certifies that all of the statements and information provided in this Certification are true, accurate and complete, and Franchisor understands and acknowledges that SBA will rely upon this Certification for the purpose of determining size eligibility of the Franchisee for SBA financial assistance. Franchisor acknowledges 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.

I am a duly authorized representative of the Franchisor and have the authority to sign this Certification on its behalf.

|                                  |          |
|----------------------------------|----------|
| Signature                        | Date / / |
| Print Name (First, Middle, Last) |          |
| Title                            |          |
| Company Name                     |          |



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 purposes of affiliation determinations per 13 CFR §121.301(f)(5).

2 The term franchise agreement includes all addenda, amendments and other documents that are part of the franchise agreement.

SBA FORM 2463 (2-17)

**EXHIBIT C-2  
TO THE DISCLOSURE  
DOCUMENT AREA DEVELOPMENT AGREEMENT**



**AREA DEVELOPMENT AGREEMENT**

NJ 230753885v1

SJB Brands, LLC

Area Development Agreement Form & Exhibits – MULTI-STATE

February, 2018

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## JUICE IT UP® AREA DEVELOPMENT AGREEMENT

### 1. Parties

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made on \_\_\_\_\_, 20 [date], (the "**Effective Date**") by and between SJB Brands, LLC ("**SJB**," "**we**," "**our**" or "**us**"), and \_\_\_\_\_ [developer's name or Entity name] ("**you**" or "**your**"). Capitalized words that are not defined in this Agreement will have the same meaning as set forth in the JUICE IT UP Franchise Agreement signed by you concurrently with signing this Agreement.

### 2. Recitals

A. We are the Licensor of certain intellectual property rights, including SJB's Trade Name, "**JUICE IT UP®**" and the Marks consisting of the words "**JUICE IT UP**", other word marks and stylized designs marks. We have spent a considerable amount of time, effort, and money to devise, and continue to develop, proprietary recipes, trade secrets, commercial ideas, administrative procedures, operating methods, information on sources of supply, marketing strategies, business forms, advertising materials, distinctive signs, trade dress, uniforms and employee training techniques, that, taken together, comprise a proprietary System for the operation of **JUICE IT UP®** Units.

B. We would like to expand and develop the System, and seek experienced and efficient multi-unit franchisees who will develop and operate Units as part of the System.

C. You would like to obtain the right to own and operate multiple **JUICE IT UP** Units in a designated geographical area, and pay an Area Development Fee in connection with each such **JUICE IT UP®** Unit.

D. You would like to own and operate **JUICE IT UP** Units and we would like to grant to you the right to own and operate Units in accordance with the terms and on the conditions contained in this Agreement and the applicable Franchise Agreement.

THEREFORE, IT IS AGREED:

### 3. Grant of Rights

#### **3.1 Grant of Right**

3.1.1 We grant to you and you accept the right, during the Term (defined below), to develop "**JUICE IT UP**" Units solely at Traditional Locations, in the Development Area, on the terms and subject to the conditions stated in this Agreement.

3.1.2 No right or license is granted to you hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by us, such right and license being granted solely pursuant to Franchise Agreements executed pursuant hereto. Without limiting the generality of the foregoing, nothing in this Agreement shall permit you to own or operate a JUICE IT UP Unit, except pursuant to duly executed and fully effective Franchise Agreement. You shall not use such trademarks, trade names, service marks, logotypes, insignias, trade dress or designs in any manner or for any purpose, including in connection with any offering of securities or any request for credit, without our prior written approval.

You represent that all JUICE IT UP Units listed on the Development Schedule are for your sole ownership, use and operation. You may not offer, sell, or negotiate the sale of individual **JUICE IT UP** Units to any third party, either in your own name or in our name and on our behalf, or otherwise subfranchise, share,

divide or partition this Agreement. Nothing in this Agreement will be construed as granting you the right to do so.

Only JUICE IT UP Units newly established by you at Traditional Locations within the Development Area will count to satisfy the requirements of this Agreement and the Development Schedule. Any Non-Traditional Unit (as defined below), franchises acquired by transfer or to be located outside the Development Area will not satisfy such requirements.

As used in this Agreement, "**Non-Traditional Unit**" means a Unit, located within another primary business or in conjunction with other businesses or at institutional settings, including, toll roads, hotels and motels, casinos, airports, sports arena, stadiums, train stations, casinos, theme parks, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, kiosks, food trucks or units in shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider. A "**Traditional Unit**" means a full- size, "brick and mortar" physical location and Units other than as defined above for Non- Traditional Units.

### **3.2 Area Development Schedule**

3.2.1 You and we acknowledge and agree that the deadlines set forth in the Development Schedule are the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation of this Agreement will either (i) create any obligation to grant additional modifications, amendments, consents or waivers or (ii) be effective unless made by mutual written agreement. Any modification or amendment to the Development Schedule or otherwise will be in our Business Judgment and may be subject to conditions, including (but not limited to) a General Release. You agree to construct, equip, open, and thereafter continue to maintain as open and operating at, and only at, Traditional Locations accepted by us within the Development Area not less than the cumulative number of Units stated in Attachment 2 to this Agreement within the time periods specified in Attachment 2.

3.2.2 You must execute our then current form of Franchise Agreement for each Development Unit and pay the required initial franchise fees by the date specified on the Development Schedule, you must also and (in accordance with this Agreement) sign a lease or purchase agreement and complete the build out and opening of each Development Unit on or before the specified Opening Date for each Development Unit as specified on the Development Schedule.

### **3.3 Development Rights Reserved to SJB: Limitations On Your Rights**

During the Term, we may not operate or grant a franchise to any other person to operate a **Traditional** Unit within the Development Area. Except as provided in the preceding sentence, we expressly reserve all other rights, including the exclusive, unrestricted right, in our Business Judgment, directly and indirectly, for us or through our employees, Franchisor Related Parties, representatives, licensees, assigns, agents and others, (i) to own or operate and to franchise or license others to own or operate Units *under names other than the JUICE IT UP Marks* at any location whatsoever as well as **Non-Traditional** Units operated under the Marks, even if located within the Development Area, and regardless of the proximity to any Unit developed or under development or consideration by you; and (ii) to produce, license, distribute and market "**JUICE IT UP**" brand named products, and products bearing other marks, including food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet, including grocery stores and convenience stores (including those which may be located within the Development Area), and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, Internet or Social Media channels and other distribution methods.

During the term of this Agreement and prior to the development of any Non- Traditional Unit in the Development Area by us or any third party we may license as permitted above (the "Proposed NTU"), we will provide you with written notice of the price, location and other primary terms related to the Proposed NTU (the "NTU Notice"). You will have an opportunity to advise us of your interest in assuming development of the Proposed NTU as specified under the exact terms of the NTU Notice as the next succeeding unopened Unit listed on your Development Schedule and for which significant and/or binding development activities have not yet commenced as of the date of the NTU Notice. You must provide your written response to the NTU Notice on or before the expiration of thirty (30) days from the date we transmit the NTU Notice, which response will be effective and binding on us only upon our confirmation of your ability to meet the financial, timing and other requirements necessary to complete the Proposed NTU development. If you are permitted by us to proceed to develop the Proposed NTU, you will comply with all requirements of this Agreement and the applicable franchise agreement you sign related to such Unit including any addenda to the franchise agreement which may be required due to any unique or special requirements related to the Proposed NTU.

You agree to provide a copy of your Development Schedule, a recent financial statement or other documentation to assist us in assessing your ability to meet such requirements, along with your response to the NTU Notice. Any rights granted to you related to the Proposed NTU will expire after the above-stated thirty (30) day period. Your silence will be deemed as a refusal of the opportunity.

We have no obligation to send you any NTU Notice, you have no rights under this Section and we will maintain all development rights related to the Proposed NTU if, during the time the Proposed NTU is under consideration by us, any of the following exist:

- a) you are not in Good Standing under this Agreement, any franchise agreement or any other agreement or obligation related to your Unit; or
- b) if we determine, in our Business Judgment, that the Proposed NTU would be delayed or adversely impacted so as to pose an undue risk to the Proposed NTU opportunity, including the related financial and timing requirements.

### **3.4 Term and Renewal**

#### **3.4.1 Term**

The term of this Agreement (the "**Term**") will begin on the Effective Date and, unless extended or sooner terminated in accordance with the provisions of this Agreement, will automatically expire upon the **earlier of**: i) the latest Required Date for Opening of a Unit provided on Attachment 2; or ii) the Required Opening Date for the last scheduled Unit (whether or not the Unit actually opens on the date specified).

#### **3.4.2 Renewal**

You have no right to renew this Agreement.

### **3.5 Limited Additional Development Right**

If during the term of this Agreement, we determine that further development of the Development Area is desirable, we will notify you in writing of our decision to develop additional Units in the Development Area. Subject to the conditions described below, you have a right to undertake any additional development that we have stated in our notice to you. Your right of additional development may be exercised only in accordance with the following section. If you do not exercise the right of additional development, we may, directly or through any Franchisor Related Party or franchisee construct, equip, open, and operate additional Units in the Development Area.



### 3.6 Exercise of **Right** of Additional Development

You must exercise your right to undertake for yourself the additional development described in the notice sent to you by us by signing our then-current form of Area Development Agreement within sixty (60) days after your receipt of such notice.

### 3.7 Conditions to **Exercise** of Right of Additional Development

Your right to additional development described above will be subject to your fulfillment in advance of the following conditions:

- (a) You must have fully performed all of your obligations under this Agreement and all other agreements between us and you.
- (b) You must have demonstrated to us your financial capacity to perform the additional development obligations stated in the new area development agreement. In determining if you are financially capable, we will apply the same criteria to you as it applies to new prospective area franchisees at that time.
- (c) At expiration of the Term, you will continue to operate in the Development Area not less than the aggregate number of Units required by the Area Development Schedules stated in Attachment 2.
- (d) You and we must have executed a new area development agreement pursuant to Section 3.6.
- (e) You and all of your Franchisee Related Parties who then have a currently effective franchise agreement or area development agreement with us must have executed and delivered to us a General Release, on a form prescribed by us.

## **4. Payments**

### 4.1 Initial Area Development Fee

Concurrently with the execution of this Agreement, you shall pay us, or our designee, in cash or by certified check, the sum of \$\_\_\_\_\_ (representing one-half of the initial franchise fees for each of the "**JUICE IT UP**" Units required to be opened during the Term pursuant to the Area Development Schedule) (the "**Area Development Fee**"). The Area Development Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances; provided that we shall credit the Area Development Fee against the initial franchise fee payable upon execution of each Franchise Agreement executed pursuant hereto at a maximum rate of one-half (50%) of the initial franchise fee owed for each Unit until the entire Area Development Fee has been so credited.

### 4.2 Initial **Franchise** Fees for Each JUICE IT UP Unit

Notwithstanding the terms of the Franchise Agreement executed for each full- sized JUICE IT UP Unit developed pursuant hereto, you shall pay to us or our designee, in cash or by certified check, an initial franchise fee equal to \$25,000 for the first,

\$20,000 for the second and \$15,000 for each subsequent JUICE IT UP Unit to be developed pursuant hereto, which initial franchise fee shall be payable upon execution by you of each Franchise Agreement entered into pursuant to this Agreement, subject to the credit as described in Section 4.1. The foregoing notwithstanding, if any of the units to be developed pursuant to the Development Schedule are under the Vet Fran Program, the initial franchise fee for each such unit shall be \$10,000.[]

## **5. Signing of Individual Franchise Agreements**

### **5.1 Site Acceptance and Signing of Franchise Agreements**

5.1.1 You are solely responsible for locating, securing and developing the site for each Development Unit according to any then applicable JUICE IT UP standards, guidelines and/or specifications.

5.1.2 You shall submit to us such information regarding a proposed site as we require, in the form and manner requested by us, together with the terms of any proposed lease. We may seek such additional information that we consider necessary, but our approval will not be unreasonably withheld. The terms of any such lease shall comply with the provisions of the Franchise Agreement applicable to such proposed site. Our consent to any site shall not be construed as a recommendation or warranty as to suitability or the success of the Development Unit to be located there. We make no such assurances of any kind.

5.1.3 Upon our written consent to any approved site, and subject to the conditions to the offer of a franchise provided in 5.1 D., below, you will pay to us the Initial Franchise Fee for each approved Development Unit and sign the then current form of Franchise Agreement along with any related documents then customarily used by us, including any appropriate receipts for disclosure documents. We may in connection with our evaluation of the proposed site require and consider financial statements or similar information satisfactory to us demonstrating financial capability and compliance with Section 5.2 of this Agreement.

5.1.4 Regardless of any other provision of this Agreement, you understand that we have the right to deny you a Franchise and/or not permit you to open a Development Unit if any of the following conditions are not met:

- i) you are not in compliance with the provisions of any Franchise Agreement and/or are in default under this Agreement, any Franchise Agreement, the Manual, or any other agreement with us and/or any Franchisor Related Party;
- ii) you have not delivered all completed and signed documents currently required by us;
- iii) you have not appointed a manager for the Development Unit who meets our then current training and other standards.

### **5.2 Condition To Our Obligations**

Our obligations under the preceding section are applicable only if you have performed all of your obligations under this Agreement and every other agreement between you and us.

5.2.1 You (and each of your Franchisee Related Parties which have developed or operate JUICE IT UP Units in the Development Area) shall have fully performed all of your obligations under this Agreement and all Franchise Agreements and other written agreements between us and you (or any of your Franchisee Related Parties).

5.2.2 You shall have demonstrated to us your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement, including your submission of a comprehensive management plan acceptable to, and accepted by us, which shall include among other reasonable requirements as may be established by us, an organization chart and supervisory requirements for the proposed "JUICE IT UP" Unit. In determining if you are financially or otherwise capable, we shall apply the same criteria to you as we apply to prospective area developers at that time.

5.2.3 You must continue to maintain as open and operating in Good Standing under applicable Franchise Agreements in the Development Area, the cumulative number of "JUICE IT UP" Units required by the Development Schedule

5.2.4 You, and each Franchisor Related Party who then has a currently effective franchise agreement or area development agreement with us, must sign a General Release of any and all known and unknown claims they may have against us and our Franchisor Related Parties, on a form attached as Attachment 3.

## **6. Transfer or Assignment**

A. This Agreement is personal to you and based upon individual skills, resources, special qualities and characteristics and is not assignable, whether voluntarily or by operation of law, without our express written consent, which we may grant, condition or withhold in our Business Judgment. Assignment includes a Transfer of any Unit or your interest in this Agreement or an ownership change as defined in the Franchise Agreement signed by you and us contemporaneously with this Agreement. We may choose among other things to apply the provisions applicable to transfers as contained in the most current Unit franchise agreement between you and us, including those regarding rights of first refusal, to any transfer of this Agreement. Any assignment by you must be accompanied by a concurrent assignment to the same assignee of all of your interests in each Development Unit and each related franchise agreement. Any consent to transfer by us will be conditioned upon our receipt of a nonrefundable transfer fee of \$20,000, in addition to any such fees due under the applicable Unit franchise agreements. This area development transfer fee may be reduced or waived in our Business Judgment.

B. This Agreement is assignable by us, in whole or in part, without notice to or consent by you and shall inure to the benefit of our successors and assigns. We have no liability to you upon such an assignment.

C. This Agreement shall not be deemed to diminish in any way any rights of first refusal and/or rights of repurchase held by us under any Franchise Agreement with you, whether effective now or in the future. If we purchase from you substantially all of the operating assets of the Development Units, or all of their franchises are terminated or repurchased, you will have no rights, and we will have no obligations, under this Area Development Agreement.

## **7. Incorporated Provisions of Franchise Agreement**

As provided in this Agreement and Attachment 2, you are, or shall become, concurrently with the signing of this Agreement, a JUICE IT UP Franchisee under the terms of a JUICE IT UP Unit Franchise Agreement substantially similar to the Franchise Agreement. The following provisions of the Franchise Agreement shall apply to this Agreement in the following manner:

### **7.1 Licensed Marks.**

The provisions of Section 7.1 of the Franchise Agreement shall apply to the use of the Marks under this Agreement and are incorporated herein.

### **7.2 Relationship and Indemnification.**

You and we are independent contractors, as provided in this Agreement. Therefore, the provisions of Section 8 of the Franchise Agreement shall apply in the same manner to you in your Area Development activities as they do to your JUICE IT UP Units and are incorporated herein. References made in such Sections to your JUICE IT UP Unit franchise and business operations shall be deemed to include your operations under this Agreement, including without limitation the indemnification obligations of Section 8.5.



### **7.3 Confidential Information: Exclusive Relationship.**

The provisions of Section 8 of the Franchise Agreement shall apply in the same manner to you in your Area Development activities as they do to your JUICE IT UP Unit franchise business and are incorporated herein. References made in Section 8 to your JUICE IT UP Unit Franchise and franchise business operations shall be deemed to include your operations under this Agreement.

### **7.4 Records and Reports.**

The provisions of Section 7.5 of the Franchise Agreement and the reporting and record requirements described therein shall apply in the same manner to your Area Development activities as they do to your JUICE IT UP Unit franchise business and are incorporated herein.

### **7.5 Dispute Resolution, Notice and Acknowledgments.**

The provisions of Sections 11 and 12 of the Franchise Agreement shall apply to this Agreement and are incorporated herein, including without limitation those providing for arbitration, litigation, damages and venue.

### **7.6 Rights on Termination, Transfer, and/or Repurchase.**

The provisions of Sections 9 and 10.3 of the Franchise Agreement shall apply to this Agreement and are incorporated herein.

## **8. Termination**

### **8.1 Defaults and Termination**

8.1.1 This Agreement may be terminated by us upon your receipt of written notice and without opportunity to cure, except as may be required by law, if:

- 1) You attempt to sell, assign, Transfer or encumber in whole or in part any or all rights and obligations under this Agreement in conflict with this Agreement;
- 2) You fail to meet on a timely basis any of the provisions of the Development Schedule, including without limitation, any Unit Opening Date or Fee Payment;
- 3) You commit to a lease unapproved by us, or begin the development and/or operation of a Development Unit, without having complied with the terms of this Agreement;
- 4) You or any of your Owners is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay his or her debts as they become due, or a petition under any bankruptcy law is filed against you or any of your owners or a receiver or other custodian is appointed for a substantial part of your assets;
- 5) You or any of your owners is convicted of, or pleads no contest to, a felony, or to any crime or offense that may adversely affect the good will associated with the Marks;
- 6) You commit any other breach of this Agreement.

8.1.2 Any default by you under this Agreement may be regarded by us as a default by you under the Franchise Agreement. Any default under any Franchise or other agreement with us or with any Franchisor



Related Party may be considered by us to be a default under this Agreement. Any default by you under any agreement, lease or other obligation relating to any of your JUICE IT UP Units may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you and us. In all instances we shall be entitled to all rights and remedies available to us under the respective agreements, at law and in equity. If you default under any Franchise or other agreement, we may require you to stop all development activities/Unit openings under this Agreement unless and until you are permitted by us in writing to continue.

8.1.3 Upon a termination/expiration of this Agreement you have no rights under this Agreement, including without limitation, no right to the award of any further franchises or any refunds of any amounts paid. We shall be free to develop the Development Area in any manner we choose, including establishing Units owned by us or any Franchisor Related Party or franchised Units in the Development Area, subject only to the terms of any applicable Unit franchise agreements.

8.1.4 Notwithstanding the provisions of Section 8.A (2), above, if the opening of a Development Unit is physically prevented by circumstances beyond human control, such as fire, flood, earthquake, riot, war, or similar circumstance, or we are unable to promptly deliver to you any required disclosure document, then you will be allowed such additional time as is reasonably necessary to open such Development Unit, but not longer than six (6) months. Such an extension shall be available exclusively to the Unit subject to the interrupted development and shall not apply to any subsequent Unit development deadlines or requirement dates.

## **8.2 Indemnity**

You agree to protect, defend, and indemnify us, and all of our past, present, and future shareholders, direct and indirect parent companies, subsidiaries, Franchisee Related Parties, officers, directors, employees, attorneys, and designees and hold them harmless from and against any and all costs and expenses, including attorney fees, court costs, losses, damages, and demands of every kind or nature on account of any actual or alleged loss or injury to any person or entity or to any property arising in connection with your operation of the franchised business under this Agreement, except to the extent caused by our intentional acts in breach of this Agreement. The terms of this Section 8.1 shall survive the termination, expiration or cancellation of this Agreement.

## **9. Business Entity Area Developer**

- (a) If you are an Entity, stated below are the names and addresses of each of your shareholders, members or partners, as applicable:

| NAME | NUMBER OF SHARES | ADDRESS OR PERCENT OWNED |
|------|------------------|--------------------------|
|------|------------------|--------------------------|

- (b) If you are an Entity, stated below are the names and addresses of each of your director(s), manager(s) or general partner(s):

| NAME | ADDRESS |
|------|---------|
|------|---------|

- (c) The address where your financial records, and corporate or partnership records, as applicable, are maintained is: [address].

- (d) If you are an Entity, stated below are the names and addresses and titles of your principal officers, managers or partners who will be devoting their full time to your business:

NAME

TITLE

ADDRESS

- (e) You must notify us in writing within ten (10) days of any change in the information stated in subparagraphs (a) through (d) above.
- (f) You must promptly provide any additional information that we may from time to time request concerning all people who have any direct or indirect financial interest in you.

## **10. Miscellaneous Provisions**

### **10.1 Construction of Contract**

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization by us which you may be required to obtain hereunder may be given or withheld by us in our sole discretion, and on any occasion where we are required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets our standards or satisfaction, we may do so in our sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. We and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

### **10.2 Notices**

The parties to this agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous posting of a copy by first class mail), courier, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Receipted mail must be used for any notice of termination.

### **10.3 Amendments**

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

### **10.4 Waiver**

Waiver of any breach of this Agreement will not be interpreted as a waiver of any subsequent breach

### **10.5 Integration**

This Agreement, any exhibits or attachment to it constitutes the entire agreement between the parties concerning the rights granted under this Agreement. All prior and contemporaneous agreements and representations, other than those included in the offering circular, are superseded by it. Nothing in this or in



any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

#### **10.6 Approval and Guaranties**

If you are an Entity, all officers, managers, general partners and Owners must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and franchised Units and limitations on their rights to compete, and sign the Owner's personal guarantee attached as Attachment 4 to this Agreement.

#### **10.7 Acceptance by SJB**

This Agreement will not be binding on us unless and until it has been signed by one of our authorized officers.

#### **10.8 Relationship between the Parties**

You and we understand and agree that neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. You have no authority to create or assume in our name or on behalf of us, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed employees of us or subject to our control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

#### **10.9 Survival of Covenants**

The covenants contained in this Agreement which, by their nature or terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

#### **10.10 Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of each parties' successors and assigns, their respective heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained herein.

#### **10.11 Joint and Several Liability**

If you consist of more than one person or Entity, or a combination thereof, the obligations and liabilities of each of such person or Entity to us are joint and several, and such person(s) or Entities shall be deemed to be general partnership.

#### **10.12 Security Interest**

You will not have the right to give any third party a security interest in this Agreement in any manner whatsoever without the express prior written permission of SJB, which permission may be withheld for any reason whatsoever in SJB's sole subjective judgment. To the extent that the foregoing prohibition may be ineffective under applicable law, you must provide not less than 10 days prior written notice (which notice shall contain the name and address of the secured party and the terms of such security interest) of any security interest in this Agreement.

**10.13 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

**10.14 Submission of Agreement**

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by you and us. You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that it has obtained the advice of counsel in connection with entering into this Agreement, that it understands the nature of this Agreement, and that it intends to comply herewith and be bound hereby.

**10.15 Disclaimer of Representations**

NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY SJB TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER SJB NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE FRANCHISED JUICE BARS OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE JUICE IT UP UNITS. YOU UNDERSTAND THAT SJB IS NOT A FIDUCIARY TO YOU AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed it as of the date first above written.

FRANCHISOR:

SJB BRANDS, LLC

By: \_\_\_\_\_  
Chris Braun,  
Chief Executive Officer and President

Address:  
17915 Sky Park Circle, Suite J Irvine, CA 92614

DEVELOPER:

\_\_\_\_\_  
By: \_\_\_\_\_  
Name & Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## ATTACHMENT 1

### DEVELOPMENT AREA

**"Development Area"** means the geographic area described above. Any change in the name, increase or decrease, size, boundary lines and/or population of the cities, counties or political subdivisions, if any, included within the Development Area shall not affect the Development Area as it is described above. Your Development Area will be deemed to have the same name, geographic boundaries, etc., as those designated above on the Effective Date of this Agreement.

ATTACHMENT 2

DEVELOPMENT SCHEDULE  
"Traditional" Locations Only

| <u>Development Unit</u> | <u>Required Dates for Signing of Separate Franchise Agreements and Related Documents and Payment of Initial Franchise Fees in Full</u> | <u>Required Date for Opening of Unit</u> |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| 1                       | _____                                                                                                                                  | _____                                    |
| 2                       | _____                                                                                                                                  | _____                                    |
| 3                       | _____                                                                                                                                  | _____                                    |
| 4                       | _____                                                                                                                                  | _____                                    |
| 5                       | _____                                                                                                                                  | _____                                    |
| 6                       | _____                                                                                                                                  | _____                                    |
| 7                       | _____                                                                                                                                  | _____                                    |
| 8                       | _____                                                                                                                                  | _____                                    |
| 9                       | _____                                                                                                                                  | _____                                    |
| 10                      | _____                                                                                                                                  | _____                                    |

The foregoing lists all Juice It Up Units granted under this Agreement.

Developer's Initials \_\_\_\_\_

**ATTACHMENT 3**  
**GENERAL RELEASING LANGUAGE**

Current Form of Releasing Language  
(subject to change by Franchisor)  
(This is a Form - NOT for Signature)

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, known or unknown, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Related Parties are hereby forever canceled and forgiven.

THE FRANCHISEE(S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"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."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED CENTER; provided that if this Release is given in connection with the award of a franchise, then this release shall not apply to Claims relating to the offer and sale of such franchise under the California Franchise Investment Law or any rule or order issued thereunder.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Persons/Entities or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials:

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may

have against any or all of the Franchisor Related Parties, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor Related Parties as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials:

**Attorneys' Fees.** If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Related Parties any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Related Parties incurring such costs.

Franchisee(s) Initials:

**"Franchisor Related Parties."** Franchisor, Franchisor's affiliates, any advertising fund, any Franchisee Advisory Group and each of the following, whether past, current or future: companies and/or persons acting through and/or in concert with us and/or with any of the foregoing; partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of ours and/or of any of the foregoing; and predecessors, successors and/or assigns of ours and/or of any of the foregoing.

Franchisee(s) Initials:

**Date of Releases, Joint and Several Liability.** The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/entity providing releases to the Franchisor Related Parties) shall be joint and several.

Franchisee(s) Initials:

#### ATTACHMENT 4

### OWNER'S GUARANTY AND ASSUMPTION OF BUSINESS ENTITY FRANCHISEE'S OBLIGATIONS

Each of the undersigned, to induce SJB Brands, LLC ("SJB") to enter into or permit assignment of a certain **JUICE IT UP** Area Development Agreement, dated \_\_\_\_\_, with \_\_\_\_\_ [Developer's Legal Name] ("Developer"), unconditionally, jointly and severally, personally guarantees to SJB, its successors, or its assignees, the prompt full payment and performance of all obligations of Developer that are or may become due and owing to SJB including, but not limited to, all obligations arising out of the Area Development Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Area Development Agreement were signed between SJB and the undersigned directly, as Developer.

Each of the undersigned expressly waives notice of or demand by SJB to or for the benefit of Developer. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between SJB and Developer, the taking of a note or other obligation from Developer or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Developer of bankruptcy, insolvency, reorganization or other debtor relief afforded Developer under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Developer's obligations or liability to SJB, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Personal Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Personal Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by SJB of whatever remedies it may have against Developer or others, or the enforcement of any lien or realization upon any security SJB may at any time possess. The undersigned hereby further waives all rights to revoke this Personal Guaranty at any time, and all rights to revoke any agreement executed by the undersigned at any time to secure the payment and performance of the undersigned obligations under this Personal Guaranty.

The undersigned agrees that any current or future indebtedness by Developer to the undersigned will always be subordinate to any indebtedness owed by Developer to SJB. The undersigned will promptly modify

any financing statements on file with state agencies to specify that SJB's rights are senior to those of the undersigned.

The undersigned further agrees that as long as Developer owes any money to SJB (other than royalty and advertising fund payments that are not past due) Developer will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Developer to any of the undersigned, either directly or indirectly, without the consent of SJB.

The undersigned further agrees to be personally bound to perform the obligations and to refrain from performing the acts prohibited by the provisions of Section 7 (Confidentiality and Covenants) of the Area Development Agreement as though the undersigned had signed the Area Development Agreement in the capacity of developer. The undersigned consents to be bound by the provisions of Section 7 of the Area Development Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of this Personal Guaranty and Section 7 of the Area Development Agreement.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in this it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Area Development Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned have signed this guaranty on this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)



**EXHIBIT C-3**  
**TO THE DISCLOSURE DOCUMENT CALIFORNIA ADDENDUM**

### California Addendum

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

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

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

The Franchise Agreement contains a covenant not to compete that continues after the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement contains a class action waiver.

Section 31125 of the California Corporations Code requires the franchisor to give the franchise a special Disclosure Document before soliciting a proposed material modification of an existing franchise.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Profession Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.

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

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).

OUR WEBSITE ADDRESS IS [WWW.JUICEITUP.COM](http://WWW.JUICEITUP.COM). 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](http://www.dbo.ca.gov).

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS AND THEIR SPOUSES/DOMESTIC PARTNERS MUST SIGN A GUARANTY AGREEING TO BE PERSONALLY LIABLE FOR THE ENTITY'S OBLIGATIONS TO US.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act.

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The financial performance representation figures do not reflect the costs of sales or operating expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. The best source of cost and expense data may be from franchisees and former franchisees, some of whom may be listed in Item 20.

SJB Brands, LLC  
*California Addendum*

**EXHIBIT C-4**  
**TO THE DISCLOSURE DOCUMENT**  
**STATEMENT OF PROSPECTIVE FRANCHISEE**



STATEMENT OF PROSPECTIVE FRANCHISEE

**SJB Brands,**

**LLC STATEMENT OF PROSPECTIVE FRANCHISEE**

**[Note: Answers Must Be Completed  
in the Prospective Franchisee's Own Handwriting.]**

The Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and SJB BRANDS, LLC (also called the "Franchisor," "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and in verifying that no violations of law might have occurred.

I/we understand that the Franchisor is acting in reliance on the truthfulness and completeness of the Prospective Franchisee/Developer's responses to the questions below in entering into the Franchise Agreement or Area Development Agreement with Prospective Franchisee/Developer. I/WE ACKNOWLEDGE AND AGREE THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION OR ARBITRATION PROCEEDING, AND PROSPECTIVE FRANCHISEE/DEVELOPER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

I/we assure the Franchisor as follows:

**A. The following dates and information are true and correct:**

1. \_\_\_\_\_, 201\_      The date on which I/we received a Franchise Disclosure Document about a Juice It Up!® Franchise.  
Initials \_\_\_\_\_
2. \_\_\_\_\_, 201\_      The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement, any Area Development Agreement and all other documents I/we later signed.  
Initials \_\_\_\_\_
3. \_\_\_\_\_, 201\_      The earliest date on which I/we signed the Franchise Agreement, Area Development Agreement or any other binding document (not including any Acknowledgment of Receipt).  
Initials \_\_\_\_\_
4. \_\_\_\_\_, 201\_      The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.  
Initials \_\_\_\_\_

**B. Representations and Other Matters:**

1. No oral, written, visual or other promises, agreements, representations, options, rights-of-first-refusal, statements or otherwise (collectively, the "representations"), expanding upon or inconsistent with the Disclosure Document, the Franchise Agreement, or any related franchise documents, have been made to or with me/us with respect to any matter, including, but not limited to marketing, site location and/or development, operations, support services, my financial results, exclusive rights or protected territory, or otherwise. I/we have not relied in any way on any such representations, except as follows:

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

**Prospective Franchisee's Initials:** \_\_\_\_\_

2. No oral, written, visual or other claim, guarantee or representation, that stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or other financial performance representation about franchised or non-franchised units, or from which such information might be ascertained, (collectively, "financial results"), was made to me/us by the Franchisor, its Affiliates or any agents/brokers/salespersons, or any other person. Except as may have been contained in Item 19 of Franchisor's Disclosure Document and its related exhibits, I/we have not seen or relied on charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise. I/we have not relied in any way on any such financial representations, except for information (if any) in Item 19 of the Franchisor's Disclosure Document and as detailed in the space provided below.

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

**Prospective Franchisee's Initials:** \_\_\_\_\_

3. The individuals signing for the "Prospective Franchisee" include all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, any Area Development Agreement, any Addendum and any Personal Guarantees.

**Prospective Franchisee's Initials:** \_\_\_\_\_

4. I/we I confirm that I have been advised to speak with past and existing Juice It Up! franchisees (if any) and that I made the decision as to which and how many franchisees to contact. I understand that franchisees are separate and distinct from Franchisor and independently owned and operated. They do not act as your agents or representatives in providing any information to us, and you have no responsibility for the information provided.

**Prospective Franchisee's Initials:** \_\_\_\_\_

5. I acknowledge receiving, reviewing and signing the receipt page for the Disclosure Document that was delivered to me (the "Receipt"). I confirm that the Franchise Seller Information contained within the Receipt is complete and accurately identifies all of the persons who sold or arranged for the sale of my franchise and were involved in the franchise sales activities.

**Prospective Franchisee's Initials:** \_\_\_\_\_

6. It been discussed and made clear to me that opening, operating and owning a JUICE IT UP Unit requires hard work and demands my complete focus, dedication and attention to help achieve a successful business.

**Prospective Franchisee's Initials:** \_\_\_\_\_

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) immediately inform the Franchisor's attorney (562-596-0116) and the Franchisor's President (949-475-0146, Ext. 202) and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: \_\_\_\_\_

**PROSPECTIVE FRANCHISEE (Individual)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

**PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s)**

Legal Name of Entity

a      Jurisdiction of Formation  
Corporation, LLC or Partnership

By: \_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Signature

**PRINCIPALS**

\_\_\_\_\_

All of the above is true, correct and complete to the best of my knowledge:

\_\_\_\_\_  
Franchise Marketing Representative (if any)

Reviewed by: SJB BRANDS, LLC

\_\_\_\_\_  
President

\_\_\_\_\_  
Franchise Agreement Number



**EXHIBIT D-1**  
**TO THE DISCLOSURE DOCUMENT ROSTER OF FRANCHISEES**

EXHIBIT D-1 ROSTER OF FRANCHISEES AS OF DECEMBER 30, 2017

| #                 | ST | Location Name                     | Owner Last Name        | Owner First Name    | Corporation/LLC             | Store Phone #                            | Street Address                                                 |
|-------------------|----|-----------------------------------|------------------------|---------------------|-----------------------------|------------------------------------------|----------------------------------------------------------------|
| <b>California</b> |    |                                   |                        |                     |                             |                                          |                                                                |
| 1                 | CA | Aliso Viejo/Town Center           | Rhodes & Chen          | Bradley & Howard    | BRHC1, LLC                  | 949-643-5128<br>ph<br>949-823-0017<br>fx | 26921 Aliso Creek Road,<br>Ste. G Aliso Viejo, CA<br>92656     |
| 2                 | CA | Apple Valley/Apple Valley Commons | Shephard               | Scott & Lila        | The Shephard Shoppe, LLC    | 760-240-0500<br>ph                       | 14898 Dale Evans Parkway,<br>Ste 250 Apple Valley, CA<br>92307 |
| 3                 | CA | Apple Valley/Apple Valley Village | Yorulmaz & Ozdenboyaci | Cem & Murat         | MC Food Management, Inc.    | 760-240-8841<br>ph<br>760-240-8842<br>fx | 12218 Apple Valley Rd, Ste<br>102 Apple Valley, CA 92308       |
| 4                 | CA | Beaumont/Marketplace Beaumont     | Baker                  | Undray & Lisa       | BMB Foods, Inc.             | 951-381-1159<br>ph                       | 1668 E. 2nd Street, Suite J<br>Beaumont, CA 92223              |
| 5                 | CA | Buena Park/Buena Park Promenade   | Kaya                   | Hakan               | Kaya Group, Inc.            | 714-821-1620<br>ph<br>714-821-1329<br>fx | 5899 Lincoln Ave #C Buena<br>Park, CA 90620                    |
| 6                 | CA | Chino/Chino Spectrum              | Patel                  | Amar                | A R Business Ventures, Inc. | 909-591-6445<br>ph<br>909-591-6015<br>fx | 3908 Grand Ave. Ste. C<br>Chino, CA 91709                      |
| 7                 | CA | Chino/Euclid Plaza                | Harris                 | Sylvester & Lisa    |                             | 909-590-8900<br>ph<br>909-590-8922<br>fx | 7033 Schaefer Avenue<br>Chino, CA 91710                        |
| 8                 | CA | Corona/Corona Hills Plaza         | Shahi                  | Parvinder & Ravneet | Juice Matters               | 951-734-1341<br>ph<br>951-734-4315<br>fx | 350 N. McKinley St. #103<br>Corona, CA 92879                   |
| 9                 | CA | Corona/Main Street Village        | Sodha                  | Amar                |                             | 951-582-0077<br>ph<br>951-582-0011       | 131 W. Ontario Blvd. #101<br>Corona, CA 92882                  |

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SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #  | ST | Location Name                          | Owner Last Name  | Owner First Name      | Corporation/LLC        | Store Phone #<br>fx                      | Street Address                                       |
|----|----|----------------------------------------|------------------|-----------------------|------------------------|------------------------------------------|------------------------------------------------------|
| 10 | CA | Corona/Orchard Plaza                   | Sodha            | Mounesh               |                        | 951-734-9344<br>ph<br>951-734-7763<br>fx | 1297 E. Ontario Ave., Suite 105<br>Corona, CA 92881  |
| 11 | CA | Costa Mesa/Mesa North Shopping Center  | Sonawalla, Patel | Aziz & Soreya, Shruti |                        | 714-754-7402<br>ph<br>714-754-7403<br>fx | 1170 Baker Street Costa Mesa, CA 92626               |
| 12 | CA | Cypress/Cypress Plaza                  | Abdul Aziz       | Sultan & Saira        |                        | 714-894-3779<br>ph<br>714-894-6044<br>fx | 6864 Katella Avenue Cypress, CA 90630                |
| 13 | CA | Eastvale/Eastvale Gateway South        | Shahi            | Parvinder & Ravneet   | Blend Delight, Inc.    | 951-893-1113<br>ph                       | 12442 Limonite Ave., Suite 230 Eastvale, CA          |
| 14 | CA | Eastvale/The Marketplace @ The Enclave | Kaur & Sidhu     | Rajbir & Surinder     | Jaz JJM, Inc.          | 951-340-9500<br>ph                       | 154244 Schleisman Rd., Suite 120, Eastvale, CA 92880 |
| 15 | CA | Fontana/Heritage Village Center        | Hardy & Smith    | Ken & Nicholas        | Mala Enterprises, LLC  | 909-320-8618<br>ph                       | 14405 Baseline Rd., Suite 410, Fontana, CA 92336     |
| 16 | CA | Fontana/Sierra Crossroads              | Kim              | Kang Hye              | Monca Investment, Inc. | 909-355-3305<br>ph<br>909-355-0305<br>fx | 11251 Sierra Ave Fontana, CA 92337                   |
| 17 | CA | Fontana/Sierra Lakes                   | Thornburg        | Joe & Claudia         | Joe Bananas LLC        | 909-854-5500<br>ph                       | 16155 Sierra Lakes Pkwy, Ste 130 Fontana, CA 92336   |
| 18 | CA | Fontana/Summit Heights Gateway         | Quezada          | Adela & Jose          | Copper Top Market Inc. | 909-463-6333<br>ph<br>909-463-6332<br>fx | 15068 Summit Ave #530 Fontana, CA 92336              |
| 19 | CA | Fountain Valley/Brookhurst             | Shin             | Hailey                |                        | 714-964-8261<br>ph<br>714-964-5749       | 18122 Brookhurst, Ste. C Fountain Valley, CA 92708   |

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SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #  | ST | Location Name                            | Owner Last Name                          | Owner First Name                                    | Corporation/LLC          | Store Phone #<br>fx                      | Street Address                                          |
|----|----|------------------------------------------|------------------------------------------|-----------------------------------------------------|--------------------------|------------------------------------------|---------------------------------------------------------|
| 20 | CA | Fresno/CSU Fresno                        | Rickard                                  | Richelle & Jim                                      | Big Bag Industries, LLC  | 559-278-4354<br>ph                       | 5280 N. Jackson Street<br>Fresno, CA 93710              |
| 21 | CA | Fullerton/CSU Fullerton Humanities Plaza | Stine                                    | Ashton & Gabriel                                    |                          | 714-525-9052<br>ph                       | 800 N. State College, TSU Food Crt. Fullerton, CA 92634 |
| 22 | CA | Fullerton/CSU Fullerton #2/TSU           | Silvas                                   | Eleanor & Anthony                                   |                          | 657-447-9898<br>ph<br>657-447-9898<br>fx | 800 N. State College, TSU Food Crt. Fullerton, CA 92634 |
| 23 | CA | Glendora/Route 66                        | Sardarizadeh, Martinez, Carazo & Rahbari | Behrad "Brian," Cristhian "Crissy," Javier & Sassan | Live Strong Inc.         | 626-335-5454<br>ph<br>626-335-1414<br>fx | 545 S. Grand Ave Glendora, CA 91741                     |
| 24 | CA | Hemet/Page Plaza                         | Patel                                    | Jignesh                                             |                          | 951-925-5295<br>ph<br>951-925-5618<br>fx | 1131 S. Sanderson Ave Hemet, CA 92545                   |
| 25 | CA | Hesperia/High Desert Gateway             | Shephard                                 | Scott & Lila                                        | The Shephard Shoppe, LLC | 760-947-4411<br>ph                       | 12721 Main Street, Suite 330 Hesperia, CA 92344         |
| 26 | CA | Huntington Beach/Atlanta                 | Chon                                     | Tar                                                 |                          | 714-593-9353<br>ph<br>714-593-1353<br>fx | 9111 Atlanta Huntington Beach, CA 92648                 |
| 27 | CA | Huntington Beach/Promenade               | Veysi                                    | Sachli & Arash                                      | Veys Platinum LLC        | 714-536-5053<br>ph                       | 21008 Beach Boulevard Huntington Beach, CA 92648        |
| 28 | CA | Irvine/Cypress Village                   | Tan                                      | Keat                                                |                          | 949-653-2072<br>ph<br>949-653-2073<br>fx | 14031 Jeffrey Rd. Irvine, CA 92620                      |
| 29 | CA | Irvine/Sand Canyon Plaza                 | Doshi                                    | Faurum & Mahendra                                   | Shoba Trading, LLC       | 949-396-6215<br>ph                       | 6610 Irvine Center Dr. Irvine, CA 92618                 |

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SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #  | ST | Location Name                              | Owner Last Name      | Owner First Name | Corporation/LLC                           | Store Phone #                              | Street Address                                              |
|----|----|--------------------------------------------|----------------------|------------------|-------------------------------------------|--------------------------------------------|-------------------------------------------------------------|
| 30 | CA | Isla Vista/Pardall                         | Martinez             | Monica           | Hiwi, Inc.                                | 805-845-1717<br>ph                         | 6555 Pardall Rd.,<br>Goleta, CA 93117                       |
| 31 | CA | La Crescenta/Foothill                      | Moradian             | Ararat           |                                           | 818-957-7076<br>ph<br>818-957-7232<br>fx   | 3231 Foothill Blvd. Unit 102<br>La Crescenta, CA 91214      |
| 32 | CA | La Quinta/Komar<br>Desert Center           | McCormick            | Jeremy           | Deju, LLC                                 | 760-775-4111<br>ph                         | 79-775 Highway 111, Suite<br>102 La Quinta, CA 92253        |
| 33 | CA | Ladera Ranch/Terrace<br>Shops              | Kintsch              | Kori & Neil      | ARKOR, LLC                                | 949-388-<br>2500 ph                        | 1101 Corporate Drive, Ste.<br>A-2 Ladera Ranch, CA<br>92694 |
| 34 | CA | Lake Elsinore/Canyon<br>Hills Marketplace  | Kelley               | Tony & Chris     | Kelley Franchise, Inc.                    | 951-244-<br>7778 ph<br>951-244-<br>7706 fx | 29991 Canyon Hills Rd,<br>#1708 Lake Elsinore, CA<br>92532  |
| 35 | CA | Lake Elsinore/Lake<br>Elsinore Marketplace | Kelley               | Tony & Chris     | Kelley Franchise, Inc.                    | 951-245-<br>6210 ph<br>951-245-<br>6211 fx | 29261 Central Ave, Ste E<br>Lake Elsinore, CA 92532         |
| 36 | CA | Lake Forest/Sycamore<br>Plaza              | Chon                 | Tar              |                                           | 949-462-<br>0704 ph<br>949-462-<br>0417 fx | 22331 El Toro Rd. Ste. C<br>Lake Forest, CA 92630           |
| 37 | CA | Lodi/Vintner Square                        | Wolcott              | Dan              |                                           | 209-333-<br>5227 ph<br>209-333-<br>1462 fx | 2533 W. Kettleman Ln, Ste<br>401<br>Lodi, CA 95242          |
| 38 | CA | Los Angeles/CSU Los<br>Angeles             | Wu                   | James            | JAW Group, Inc.                           | 323-343-<br>6551 ph                        | 5155 State University Dr.<br>Los Angeles, CA 90032          |
| 39 | CA | Los Angeles/USC @<br>Marengo               | Dias                 | Colin            | CPD, Collaborative,<br>Inc.               | 323-225-<br>2899 ph                        | 1826 Marengo Street Los<br>Angeles, CA 90033                |
| 40 | CA | Los Banos/Fresh Fill                       | Rocha &<br>Windecker | Brian & Brett    | Fresh Fill<br>Convenience Stores,<br>Inc. | 805-280-<br>6304 ph                        | TBD: CA-152 & Ward Rd<br>Los Banos, CA 93635                |

| #  | ST | Location Name                    | Owner Last Name        | Owner First Name | Corporation/LLC               | Store Phone #                      | Street Address                                                    |
|----|----|----------------------------------|------------------------|------------------|-------------------------------|------------------------------------|-------------------------------------------------------------------|
| 41 | CA | Moreno Valley/Iris               | Yorulmaz & Ozdenboyaci | Cem & Murat      | MC Food Management, Inc.      | 951-243-1717 ph                    | 25970 Iris Ave. #B-6<br>Moreno Valley, CA 92551                   |
| 42 | CA | Moreno Valley/Moreno Beach Plaza | Yorulmaz & Ekener      | Cem & Burcin     | A&B International Group, Inc. | 951-485-4555 ph                    | 12831 Moreno Beach Drive,<br>Suite 103 Moreno Valley,<br>CA 92555 |
| 43 | CA | Murrieta/The Orchard –Stonecreek | Bulusan                | Rachel & Freddie |                               | 951-679-9988 ph<br>951-679-8955 fx | 27890 Clinton Keith Road,<br>Suite A Murrieta, CA 92562           |
| 44 | CA | Murrieta/Village Walk            | Rogers                 | Don & Lisa       |                               | 951-813-3333 ph<br>951-816-3322 fx | 24530 Village Walk Place,<br>Ste. E Murrieta, CA 92562            |
| 45 | CA | Newhall/Riverview Center         | Balekian               | Raffi            |                               | 661-299-4442 ph<br>661-299-4148 fx | 26917 Sierra Hwy.<br>Newhall, CA 91321                            |
| 46 | CA | Northridge/CSU Northridge        | McCarron               | Thomas           | The University Corporation    | 818-677-6226 ph<br>818-677-3017 fx | 18111 Nordhoff Street<br>Northridge, CA 91330                     |
| 47 | CA | Ontario/Archibald                | Liu & Verde            | Jean & Jerry     |                               | 909-923-2018 ph<br>909-923-5026 fx | 2910 S. Archibald Ave #D<br>Ontario, CA 91761                     |
| 48 | CA | Ontario/Gateway                  | Gandecha               | Anoop & Hasmita  |                               | 909-391-6800 ph                    | 1520 N. Mountain Ave., Unit 105<br>Ontario, CA 91762              |
| 49 | CA | Ontario/Marketplace on Grove     | Quezada                | Adela & Jose     | Copper Top Market Inc.        | 909-673-0220 ph                    | 1150 Philadelphia St., Suite 107<br>Ontario, CA 91761             |
| 50 | CA | Pasadena/Hill                    | Vergel de Dios         | Lisa & Cesar     |                               | 626-793-3344 ph<br>626-793-3343 fx | 165 N. Hill Ave Pasadena,<br>CA 91106                             |

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SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #  | ST | Location Name                    | Owner Last Name       | Owner First Name                     | Corporation/LLC          | Store Phone #                            | Street Address                                                |
|----|----|----------------------------------|-----------------------|--------------------------------------|--------------------------|------------------------------------------|---------------------------------------------------------------|
| 51 | CA | Rancho Cucamonga/Foothill        | Hong                  | Eric                                 |                          | 909-466-9270<br>ph<br>909-466-9271<br>fx | 11096 Foothill Blvd., Ste. B<br>Rancho Cucamonga, CA<br>91730 |
| 52 | CA | Rancho Cucamonga/Milliken        | Shahi                 | Parvinder & Ravneet                  | Blend Delight, Inc.      | 909-581-0107<br>ph<br>909-581-0107<br>fx | 9668 Milliken Ave #103<br>Rancho Cucamonga, CA<br>91730       |
| 53 | CA | Rancho Cucamonga/Rancho Plaza    | Zaidi                 | Syed & Asmat                         |                          | 909-944-0449<br>ph<br>909-944-0404<br>fx | 8678 19th Street, Suite 110<br>Rancho Cucamonga, CA<br>91701  |
| 54 | CA | Rancho Cucamonga/Winery          | Han Park              | Eunice TaeRyoung & Jakyoun           |                          | 909-899-5433<br>ph<br>909-899-5574<br>fx | 7325 Day Creek Blvd, Ste B-104<br>Rancho Cucamonga, CA 91729  |
| 55 | CA | Rancho Mirage/Dinah Shore        | McCormick             | Jeremy                               | Deju, LLC                | 760-202-7713<br>ph<br>760-202-7631<br>fx | 72877 Dinah Shore Dr.<br>#101 Rancho Mirage, CA<br>92270      |
| 56 | CA | Redlands/Orange Tree Marketplace | Shephard & Griffin    | Scott & Lila and Stephen & Catherine | Seven-10, Inc.           | 909-335-8400<br>ph<br>909-335-7065<br>fx | 1275 Alabama Street<br>Redlands, CA 92374                     |
| 57 | CA | Redlands/Patio on Orange         | Viriyapanthu          | Chatchai & Sommas                    | Somy Co., Inc.           | 909-793-7393<br>ph<br>909-793-7392<br>fx | 629 Orange St.<br>Redlands, CA 92374                          |
| 58 | CA | Rialto/Market                    | Davis, Jr. & Quirinio | John & Sylvia                        | Juice It Up Rialto, LLC. | 909-770-4576                             | 1420 S. Riverside Ave., Unit 8E<br>Rialto, CA 92376           |
| 59 | CA | Riverside/Lincoln Plaza          | Baker                 | Undray & Lisa                        | BMB Foods, Inc.          | 310-897-3152                             | 2995 Van Buren Blvd., Ste. A12<br>Riverside, CA 92503         |
| 60 | CA | Riverside/Canyon Springs         | Sawyers               | Wraymond & Denise                    | Sawyers Investments, LLC | 951-656-7240<br>ph<br>951-656-7241       | 2721 Canyon Springs Pkwy #10<br>Riverside, CA 92507           |

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SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #  | ST | Location Name                      | Owner Last Name        | Owner First Name               | Corporation/LLC          | Store Phone #<br>fx                      | Street Address                                               |
|----|----|------------------------------------|------------------------|--------------------------------|--------------------------|------------------------------------------|--------------------------------------------------------------|
| 61 | CA | Riverside/Galleria at Tyler        | Singh                  | Damanjot                       | Sadana Corporation       | 951-772-0644<br>ph                       | 6503 Galleria at Tyler<br>Riverside, CA 92503                |
| 62 | CA | Riverside/Riverside Plaza          | Yorulmaz & Ozdenboyaci | Cem & Murat                    | MC Food Management, Inc. | 951-222-2128<br>ph<br>951-222-2174<br>fx | 3540 Riverside Plaza Dr.<br>#318<br>Riverside, CA 92506      |
| 63 | CA | Riverside/Sierra Village           | Shahi                  | Parvinder & Ravneet            | Blend Delight, Inc.      | 951-354-5952<br>ph<br>951-735-2795<br>fx | 3380 La Sierra Ave, Ste 107<br>Riverside, CA 92503           |
| 64 | CA | Riverside/University Marketplace   | Lim                    | Choon Sik<br>"Charlie" & Inogi |                          | 951-328-9113<br>ph<br>951-328-0112<br>fx | 1201 University Ave. #114<br>Riverside, CA 92507             |
| 65 | CA | Rocklin/Rocklin Crossings          | Kidd                   | Tyler & Ryan                   | Kidd Enterprises         | 916-367-4471<br>ph                       | 5406 Crossings Drive, Suite 103<br>Rocklin, CA 95677         |
| 66 | CA | San Bernardino/Campus Crossroads   | Kim                    | Jiyun                          |                          | 909-887-7273<br>ph<br>909-887-7273<br>fx | 5244 University Parkway<br>Suite A San Bernardino, CA 92407  |
| 67 | CA | San Bernardino/Hospitality         | Jang                   | SunJin & SunKyoung             |                          | 909-890-1441<br>ph<br>909-890-5636<br>fx | 745 Hospitality Ln., Ste. B<br>San Bernardino, CA 92408      |
| 68 | CA | San Clemente/Gateway Village Plaza | Yorulmaz & Iseri       | Cem & Ersin                    | Fudart, LLC              | 949-542-7979<br>ph<br>949-542-7978<br>fx | 802-J Avenida Pico<br>San Clemente, CA 92672                 |
| 69 | CA | San Diego/SDSU East Commons Bldg   | Marmon                 | Larry                          | Aztec Shops, LTD.        | 619-594-0413<br>ph                       | 5200 Campanile Ave. East<br>Commons Bldg San Diego, CA 92182 |



| #             | ST | Location Name                        | Owner Last Name        | Owner First Name              | Corporation/LLC            | Store Phone #                            | Street Address                                      |
|---------------|----|--------------------------------------|------------------------|-------------------------------|----------------------------|------------------------------------------|-----------------------------------------------------|
| 70            | CA | Santa Ana/17th Street                | Gulsen & Yorulmaz      | Gultekin & Cem                | BMGM Global, Inc.          | 714-835-3629<br>ph<br>714-835-3633<br>fx | 2268 East 17th St. Santa Ana, CA 92705              |
| 71            | CA | Santa Clarita/Highridge Crossing     | Arora, Kumar & Lakshmi | Nikhil & Rasna, Deepak & Subh | KBN One Investment LLC     | 661-295-6725<br>ph<br>661-295-5238<br>fx | 28164 Newhall Ranch Rd. Santa Clarita, CA 91355     |
| 72            | CA | Temecula/Vail Headquarters           | Smith & Muldrow        | Will & Sydney                 | EON Brands, Inc.           | 760-207-2059<br>ph                       | 32127C Temecula Parkway Temecula, CA                |
| 73            | CA | Temecula/Rancho Temecula Town Center | Smith                  | Willie & Capucine             | Bins, LLC                  | 951-693-9360<br>ph<br>951-693-9369<br>fx | 39850 Winchester Road Suite B Temecula, CA 92591    |
| 74            | CA | Thousand Oaks/Conejo Valley Plaza    | Moshiri                | Seyedshahab                   |                            | 805-379-3577<br>ph                       | 1404 N. Moorpark Road Thousand Oaks, CA 91360       |
| 75            | CA | Valencia/Valencia Town Center        | Lahham                 | Maher                         | LAHHAM, LLC                | 661-670-8817<br>ph                       | 24303 Town Center Dr., Suite 130 Valencia, CA 91355 |
| 76            | CA | Upland/Foothill                      | Zaidi                  | Syed & Asmat                  |                            | 909-946-5700<br>ph<br>909-946-5703<br>fx | 1013 W. Foothill Blvd. Upland, CA 91786             |
| 77            | CA | Victorville/Dunia Plaza              | Yorulmaz & Ozdenboyaci | Cem & Murat                   | MC Food Management, Inc.   | 760-950-3950<br>ph<br>909-823-0875<br>fx | 14329 Bear Valley Rd. #4 Victorville, CA 92392      |
| 78            | CA | Yucca Valley/29 Palms Hwy            | Singh                  | Jinder                        | Ladhar & Samra Group, Corp | 760-853-0546<br>ph                       | 57744 Twentynine Palms Highway                      |
| <b>Oregon</b> |    |                                      |                        |                               |                            |                                          |                                                     |
| 1             | OR | Hillsboro/Tanasbourne Shops          | Lorenzen               | Brooklyn                      | Juice55, LLC**             | 503-746-6014<br>ph                       | 2790 NW 188th Ave., Suite B Hillsboro, OR 97124     |

NJ 230753885v1

SJB Brands, LLC

Franchise Disclosure Document Roster of Franchisees and Affiliate Owned Locations – MULTI-STATE

February, 2018

| #                 | ST | Location Name                         | Owner Last Name | Owner First Name | Corporation/LLC         | Store Phone #                            | Street Address                                                  |
|-------------------|----|---------------------------------------|-----------------|------------------|-------------------------|------------------------------------------|-----------------------------------------------------------------|
| <b>New Mexico</b> |    |                                       |                 |                  |                         |                                          |                                                                 |
| 1                 | NM | Albuquerque/Far North Shopping Center | Wolf            | Kelly & Shawn    | It Takes Two LLC        | 505-821-8211<br>ph                       | 6300 San Mateo Blvd NE<br>Suite H-3 Albuquerque, NM<br>87109    |
| 2                 | NM | Albuquerque/Plaza Paseo Del Norte     | Wolf            | Kelly & Shawn    | It Takes Two LLC        | 505-792-9000<br>ph<br>505-792-9010<br>fx | 9311 Coors Blvd, Unit 67<br>Albuquerque, New Mexico<br>87114    |
| <b>Texas</b>      |    |                                       |                 |                  |                         |                                          |                                                                 |
| 1                 | TX | Arlington/LA Fitness Arlington South  | Al-Sharif       | Mohamed          | Al-Sharif Holdings, LLC | 682-808-0806<br>ph                       | 5050 Little Road<br>Arlington, TX 76017                         |
| 2                 | TX | Grand Prairie/LA Fitness              | Johnson         | Kevin            | Cure Health Care, LLC   | 972-660-4700<br>ph                       | 2807 W. Interstate Highway 20, Suite 20 Grand Prairie, TX 75052 |
| 3                 | TX | Pearland Market Shopping Center       | Ibrahim         | Khaled           | Matrix Juice, LLC       | 281-965-3530<br>ph                       | 2708 Pearland Pwky., Suite 150<br>Pearland, TX 77581            |
| 4                 | TX | Rockwall/Ridge Road                   | Taylor          | Tracy            | EJBT LLC**              | 972-722-7970<br>ph                       | 3035 Ridge Rd, Suite 105<br>Rockwall, TX 75087                  |

\*\* Area Developer

FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS  
BUT WHOSE OUTLETS WERE NOT YET OPEN  
AS OF DECEMBER 30, 2017

| State | Owner Last Name  | Owner First Name | Corporation/LLC              | Contact Phone # (Store Phone TBD) | Street Address                                          |
|-------|------------------|------------------|------------------------------|-----------------------------------|---------------------------------------------------------|
| CA    | Davis            | Steven           | University Enterprises, Inc. | N/A                               | 6000 J Street, Roundhouse<br>Sacramento, CA 95819       |
| CA    | Nunez, Jr.       | Hector           | Delano Juice HN, Inc.        | 661-725-2253                      | NWC Woollomes Ave & Dover Pkwy<br>Delano, CA 93215      |
| CA    | Cruz & Tolentino | Ethel & Elmer    |                              | 714-457-5391                      | 1760 W. 6th Street<br>Corona, CA 92882                  |
| CA    | Singh            | Jinder           | Ladhar & Sidhu Group Inc.    | 760-832-1760                      | 19069 Van Buren Blvd., Suite 102<br>Riverside, CA 92508 |
| FL    | Palmer & Small   | Philip & Colleen | C.P.B. Investments, LLC      | 407-724-0364<br>407-705-7980      | TBD                                                     |
| FL    | Palmer & Small   | Philip & Colleen | C.P.B. Investments, LLC      | 407-724-0364<br>407-705-7980      | TBD                                                     |
| FL    | Palmer & Small   | Philip & Colleen | C.P.B. Investments, LLC      | 407-724-0364<br>407-705-7980      | TBD                                                     |

**EXHIBIT D-2**  
**TO THE DISCLOSURE DOCUMENT FORMER FRANCHISEES**

## EXHIBIT D-2

## FORMER FRANCHISEES

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

## 2017 Ceased Operations

|    |                                            |                            |                               |                                            |                                                                               |
|----|--------------------------------------------|----------------------------|-------------------------------|--------------------------------------------|-------------------------------------------------------------------------------|
| CA | Corona/Eagle Glen                          | Miranda,<br>Saab &<br>Saab | Michael,<br>Demitri &<br>Nour | 951-808-<br>0933 ph<br>951-808-<br>0587 fx | 2225 Eagle Glen<br>Pkwy #104<br>Corona, CA 92883                              |
| CA | El Dorado Hills/Town<br>Center             | Wang                       | Zhe                           | 916-941-<br>7140 ph<br>916-941-<br>7150 fx | 4355 Town Center<br>Blvd. #113 El<br>Dorado, CA 95762                         |
| CA | Huntington<br>Beach/Meadowlark<br>Plaza    | Chon                       | Tar                           | 714-840-<br>5575 ph<br>714-840-<br>3443 fx | 5353 Warner Ave.,<br>Unit C-2 Huntington<br>Beach, CA 92650                   |
| CA | Irvine/Alton Square                        | Kazi                       | Owais                         | 949-551-<br>6330 ph<br>949-551-<br>6207 fx | 5365 Alton Pkwy,<br>Ste G Irvine, CA<br>92604                                 |
| CA | Lake Forest/Foothill<br>Ranch Towne Center | Adams                      | Tim                           | 949-461-<br>0611 ph<br>949-461-<br>0356 fx | 26612 Towne<br>Centre Dr. #D<br>Foothill Ranch, CA<br>92610                   |
| CA | Tustin/The District @<br>Tustin Legacy     | Sharma                     | Vishal                        | Nirved Inc.                                | 714-259-<br>0776 ph<br>2350 Park Ave.<br>Tustin, CA 92782                     |
| CA | Northridge/Northridge<br>Fashion Center    | Singh                      | Damanjot                      | Sadana<br>Corporation                      | 818-960-<br>2060 ph<br>9301 Tampa Ave,<br>Spc-6511<br>Northridge, CA<br>91324 |
| CA | Rancho Santa<br>Margarita/El Paseo         | Gray                       | Erin                          | 949-858-<br>8545 ph<br>949-858-<br>8564 fx |                                                                               |
| TX | College Station/The<br>Prairie Center      | Kumar                      | Vijay & Ria                   | 979-704-<br>6112 ph<br>979-704-<br>6113 fx | 1700 Rock Prairie<br>Rd., Suite 1724<br>College Station, TX<br>77845          |

# 2017 Transferred Stores

|    |                                    |                       |                               |                                |                                    |                                                       |
|----|------------------------------------|-----------------------|-------------------------------|--------------------------------|------------------------------------|-------------------------------------------------------|
| CA | Aliso Viejo/Town Center            | Kelley                | Tony & Chris                  | Kelley Franchise, Inc.         | 949-450-0506 ph<br>949-823-0017 fx | 26921 Aliso Creek Road, Ste. G Aliso Viejo, CA 92656  |
| CA | Ladera Ranch/Terrace Shops         | Kelley                | Tony & Chris                  | Kelley Franchise, Inc.         | 949-388-2500 ph                    | 1101 Corporate Drive, Ste. A-2 Ladera Ranch, CA 92694 |
| CA | Rocklin/Rocklin Crossings          | Mason                 | Ellen                         | Mason's Juice Inc.             | 916-367-4471 ph                    | 5406 Crossings Drive, Suite 103<br>Rocklin, CA 95677  |
| CA | San Clemente/Gateway Village Plaza | Elliott               | Jim & Sandy                   | Elliott System Enterprise, LLC | 949-542-7979 ph<br>949-542-7978 fx | 802-J Avenida Pico<br>San Clemente, CA 92672          |
| CA | Santa Ana/17th Street              | Daftary               | Sanjay & Sejal                |                                | 714-835-3629 ph<br>714-835-3633 fx | 2268 East 17th St.<br>Santa Ana, CA 92705             |
| CA | Thousand Oaks/Conejo Valley Plaza  | Arora, Kumar, Lakshmi | Nikhil & Rasna, Deepak & Subh | KBN One Investment LLC         | 805-379-3577 ph                    | 1404 N. Moorpark Road<br>Thousand Oaks, CA 91360      |

**EXHIBIT E**  
**TO THE DISCLOSURE DOCUMENT ASSET PURCHASE AGREEMENT**



## ASSET PURCHASE AGREEMENT



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**JUICE IT UP®  
ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (the "AP Agreement" or "Agreement") is made as of \_\_\_\_\_, 20\_\_\_\_, by and between SJB Brands, LLC ("Seller") a Delaware Limited Liability Company, and \_\_\_\_\_ (collectively and individually referred to as "Buyer").

**BACKGROUND, BASIC BUSINESS ARRANGEMENT AND PRELIMINARY AGREEMENTS**

- A. Seller is currently operating a **JUICE IT UP®** unit at \_\_\_\_\_ (the "Unit").
- B. Seller selectively awards franchises to qualified applicants to operate JUICE IT UP® units pursuant to the current form of JUICE IT UP® Franchise Agreement, including existing business operations (such as the Unit) which have been operated by the Seller and which may be franchised to qualified applicants.
- C. Seller wishes to sell, and the Buyer, after a full personal inspection, wishes to buy certain assets of the Unit for the sole purpose of Buyer operating the Unit as a JUICE IT UP® Franchisee. In general, the assets to be sold consist of those assets located at, and used by the Seller in the ordinary conduct of the Unit, but excluding cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses, as well as real property and any property leases held by Seller unless otherwise provided in this Agreement at Section 1.1.
- D. The purchase price is \$\_\_\_\_\_ (plus amounts for inventory) and will be paid in full on Closing (the "Purchase Price."). Closing, as defined in Section 7.1, will take place on the date specified in this Agreement, unless the Buyer and Seller agree to a different date. The Purchase Price is non-refundable, unless otherwise expressly stated in this Agreement.
- E. Seller has received Buyer's application to become a JUICE IT UP® Franchisee and is pleased to award a JUICE IT UP® Franchise to Buyer for operating the Unit only pursuant to a JUICE IT UP® Franchise Agreement (the "Franchise Agreement") and related documents, to be executed concurrently with the execution of this Agreement, each of which have been received, reviewed and approved by Buyer. Buyer will operate the Unit only pursuant to the Franchise Agreement and the initial Franchise Fee specified in the Franchise Agreement shall be paid in full to Seller, or its designee, on execution of the Franchise Agreement by the Buyer and is in addition to and entirely separate from the Purchase Price paid under this Agreement.
- F. Terms not defined in this Agreement have the same meanings as in the Franchise Agreement.

**TERMS OF AGREEMENT**

**ARTICLE ONE: PURCHASE AND SALE OF ASSETS**

**1.1 Sale and Transfer of Assets.**

1.1 a **Assets to be Sold.** Subject to the terms and conditions set forth in this Agreement and the exclusions referenced below or in any attachment to this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, only the assets listed or referred to in this Section 1.1a (the "Assets"):

- (1) All trade fixtures, equipment used exclusively in the Unit, work in process, signage, inventory and supplies related exclusively to the Unit and on the Premises at Closing, together with any other assets which shall be used in and integral to the Unit at Closing and are listed on the attached Attachment 1.

**1.1 b Assets Not to be Sold.** Assets not to be purchased by the Buyer include:

- (1) Those assets disposed of in the ordinary course of business between the date of this Agreement and the Closing Date, or as otherwise permitted by this Agreement;
- (2) Cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses; and
- (3) Real property or any interests in real property; provided, that any leasehold interests being assigned or subleased to Buyer are identified on the attached Attachment 2.

**1.2 Total Purchase Price. Payments From Buyer at Signing of This Agreement and at Closing.** The total purchase price is \$ \_\_\_\_\_ plus an amount for inventory and supplies on hand at Closing, to be jointly determined by Buyer and Seller (collectively the "Purchase Price"), all of which shall be paid in full at Closing. (Inventory will be valued on a good faith basis, based on a joint physical inventory taken the morning of the Closing Date). The Purchase Price shall be paid by cashier's check payable to the order of Seller or other manner and means acceptable to Seller. Buyer shall deliver, at the same time this Agreement is signed, a cashier's check, payable to the order of Seller in the amount of \$ \_\_\_\_\_, which will be credited as a deposit towards the Purchase Price (the "Deposit").

**1.3 Liabilities.** All costs, claims, expenses and liabilities incurred or accrued in conjunction with the operation of the Unit before the Closing are and shall remain the responsibility of Seller and all costs, expenses and liabilities incurred in conjunction with the operation of the Unit on and after the Closing shall be the responsibility of the Buyer.

**1.4 Purchase Price Allocation.** The purchase price (not including the value of the inventory) shall be allocated as follows:

| <u>Tangible Assets</u>                    | <u>Portion of Purchase Price</u> |
|-------------------------------------------|----------------------------------|
| Equipment and Materials                   | \$ _____                         |
| Total Tangible Assets                     | \$ _____                         |
| <u>Intangible Assets</u>                  | <u>Portion of Purchase Price</u> |
| Total Intangible Assets                   | \$ _____                         |
| <u>Grand Total (Excluding Inventory).</u> | \$ _____                         |

Each of the parties agrees to report this transaction for tax purposes in accordance with this allocation of the purchase price.

**1.5 Taxes.** Buyer shall be solely responsible and liable for the reporting and payment of all sales, use and/or similar taxes arising out of the sales, transfer or conveyance of the Assets or any related transaction and shall pay its portion, prorated as of the Closing Date, of state and local real and personal property and other taxes related to the Unit. Buyer shall file all appropriate tax forms required with respect to this sale/purchase. Buyer shall not be responsible for any taxes related to any period ending prior to the Closing Date and Seller shall indemnify and hold Buyer harmless with respect thereto. Buyer shall be responsible for any taxes of any kind related to any period on or after the Closing Date and Buyer shall indemnify and hold Seller harmless with respect thereto.

**1.6 Unit Premises.** Buyer and Seller intend that Buyer will conduct the Unit at the premises currently operated by Seller at the following address, \_\_\_\_\_ (the "Premises") and subject to any applicable provisions of Buyer's Franchise Agreement, including, without limitation, any Lease Assignment Agreement. Buyer and Seller will use best efforts to obtain the necessary consent to any assumption, transfer, assignment, sublease, novation or otherwise (the "Transfer") of Seller's current lease of the Premises. However, any consent required to effectuate such Transfer from Seller to Buyer shall be deemed a condition precedent to Closing and in the event that the necessary consent is not forthcoming on terms acceptable to Seller, Seller may cancel this transaction without any further obligation or liability, and this Asset Purchase Agreement. Except as expressly stated in this Agreement, Buyer has no right of cancellation. If cancelled by Seller as provided herein, Seller will return amounts paid by Buyer toward the Purchase Price prior to the cancellation date and Buyer (and Buyer's owners, if Buyer is a business entity) will sign a general release in a form prescribed by Seller, of any and all claims, however arising, known or unknown, against Seller and/or any Seller Affiliate, and their respective shareholders, members, employees, officers, directors, partners, attorneys, and agents.

If the necessary consent is obtained on terms acceptable to Seller, Buyer and Seller agree that after Closing, Seller will have no further obligation or liability related to the Premises (other than as expressly assumed under the Collateral Assignment of Lease or as provided in any sublease between Buyer and Seller) and that Buyer will fully indemnify and hold harmless Seller from any claims and/or demands of any kind arising out of Buyer's use or occupancy of the Premises.

**1.7 Transfer of Assets.** On request by Buyer, Seller shall deliver to Buyer at or after the Closing, a Bill of Sale covering the Assets.

## **ARTICLE TWO: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants that:

**2.1 Title to Assets.** Seller is the sole owner, beneficially and of record, of all the Assets (and after the Closing the Buyer will own the Assets) free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges, and/or restrictions.

**2.2 Tangible Personal Property.** The tangible personal property constituting part of the Assets constitutes all tangible personal property reasonably necessary for the ordinary operation of the Unit.

**2.3 Authority.** The execution and delivery of this Agreement by Seller has been duly authorized by all necessary corporate action.

Seller and Buyer agree that:

**2.4 All Items Sold "As Is" – "Where Is."** Other than the limited warranty of title set forth in Section 2.1, all Assets are sold "AS IS," "WHERE IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY WITHOUT THE WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, including, but not limited to, any computers and other equipment identified on Attachment 1. If the Seller is a party to any manufacturer's, dealer's, or supplier's warranty ("Manufacturer's Warranty") for any of the Assets and such Manufacturer's Warranty is transferable or assignable without cost or other burden to the Seller or any Affiliate, the Seller shall, on request by Buyer, transfer its interest in such Manufacturer's Warranty to Buyer.

### **ARTICLE THREE: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants that:

**3.1 Permits and Other Requirements.** Buyer will independently and at its own expense obtain any and all authorizations, licenses, approvals, and meet all regulatory or other requirements necessary to conduct the Unit under the Franchise Agreement and to carry on the business of the Unit as such business has heretofore been conducted by Seller. Buyer acknowledges that under the terms of the Franchise Agreement and this Asset Purchase Agreement Buyer is exclusively responsible for (a) determining what licenses, permits, authorizations, or otherwise are required in connection with the establishment, operation or activities of the Unit under the Franchise Agreement, (b) obtaining each of them and (c) complying with all relevant laws, ordinances and regulations as of the Closing Date and thereafter, including, but not limited to, any applicable bulk sales transfer laws.

**3.2 Buyer's Authority.** Buyer has taken all requisite action to ensure that the execution of and delivery of this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer, is binding upon Buyer and Buyer has all requisite power and authority to enter into this Agreement and to perform its respective obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not conflict with, result in a breach of, or constitute a default under any of the terms, provisions or conditions of any statute, regulation, court or administrative order or process, or any instrument to which Buyer is a party or by which it is bound.

### **ARTICLE FOUR: SELLER'S OBLIGATIONS BEFORE CLOSING**

Seller agrees that from the date of this Agreement until the Closing Date:

**4.1 Buyer's Access to Unit and Information.** Buyer shall have reasonable access during normal business hours to the Unit, and Seller's books, accounts, records, and contracts relating exclusively to the Unit.

**4.2 Conduct of Business in Normal Course.** Seller will carry on the business of the Unit in substantially the same manner as it has previously done.

**4.3 Consents of Others.** As soon as reasonably practical after the execution and delivery of this Agreement, and in any event on or before the Closing Date, Seller will exert reasonable commercial efforts to obtain any lessor or other third party consents required in connection with this transaction and will furnish to Buyer executed copies of those consents.

### **ARTICLE FIVE: BUYER'S OBLIGATIONS BEFORE CLOSING**

**5.1 Cooperation in Securing Consents of Third Parties.** Buyer will use its best efforts to assist Seller in obtaining any lessor or other third party consents required in connection with this transaction and transfer to Buyer of any and all properties, assets, and agreements to be transferred under the terms of this Agreement.

### **ARTICLE SIX: CONDITIONS PRECEDENT**

**6.1 Conditions Precedent with Respect to the Parties' Obligations to Close.** Each and every obligation of the parties to be performed pursuant to this Agreement shall be subject to the prior satisfaction of the following conditions:

- (1) Seller and Buyer shall have performed and complied with all of their obligations under this Agreement which are to be performed prior to Closing or simultaneous therewith.

- (2) All disclosures or actions, corporate or otherwise, to be made or taken in connection with the transaction contemplated by this Agreement, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Seller and Buyer to effect the transaction contemplated hereby. Seller and Buyer shall have complied with all statutory requirements from the valid consummation of this transaction.
- (3) All actions required to be performed by any third parties in relation to this transaction prior to Closing or simultaneous therewith shall have been performed.

Either party may, at its sole option, waive in writing any condition precedent to such party's obligation to perform prior to or at the Closing.

## **ARTICLE SEVEN: THE CLOSING**

**7.1 Time and Place.** The transfer of the Assets by Seller to Buyer (the "Closing") shall take place at \_\_\_\_\_, at \_\_\_\_\_ local time, on \_\_\_\_\_, 20\_\_\_\_, or at such other time and place as the parties may mutually agree in writing (the "Closing Date") and shall be attended by all parties to this Agreement. Possession of the Unit and the Assets shall be delivered to Buyer at the Closing. Should the Closing not occur by \_\_\_\_\_, 20\_\_\_\_, the transaction shall be deemed null and void, with no further obligations on the part of either party being due and owing except as otherwise provided herein. If the Closing fails to take place due to any breach of any obligation by Seller, the Seller's sole obligation and liability shall be to return the Deposit to Buyer, without interest. The parties by mutual agreement may extend this Closing Date. The Parties agree that time is of the essence for the Closing.

**7.2 Seller's Obligations at Closing.** At the Closing, Seller shall deliver or cause to be delivered to Buyer:

- (a) Any consents as required under this Agreement;
- (b) Seller's standard form of Bill(s) of Sale (if requested by Buyer) with respect to the Assets;
- (c) JUICE IT UP® Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and receipts) pertaining to the Unit (Seller's standard form of Franchise Agreement and related documents have been reviewed and approved by Buyer and its counsel); and
- (d) Such other documents and items as Buyer shall reasonably require.

Simultaneously with the consummation of the transfer, Seller will put Buyer into full possession of the Assets.

Seller, at any time on or after the Closing Date, will execute, acknowledge, and deliver any further deeds, assignments, conveyances, and other assurances, documents, and instruments of transfer, reasonably requested by Buyer, and will take any other action consistent with the terms of this Agreement that may reasonably be requested by Buyer for the purpose of assigning, transferring, granting, conveying, and confirming to Buyer, or reducing to Buyer's possession, the Assets.

**7.3 Buyer's Obligations at Closing.** At the Closing, Buyer shall deliver to Seller the following instruments and documents against delivery of the items specified in Section 7.2:

- (a) A cashier's check in the amount of \$ \_\_\_\_\_ with adjustment for inventory and subject to credit for the Buyer's Deposit, as provided in Section 1.2;

- (b) Related consents (to the extent Buyer's signature is required on such consents) on Seller's standard forms;
- (c) Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and disclosure document receipt, if not already provided) pertaining to the Unit, each of which have been reviewed and approved by the Buyer, and any initial franchise fee and other payment then due thereunder; and
- (d) Such other documents and items as Seller shall reasonably require.

Each of the foregoing documents shall be signed by the Buyer (and its principals in the case of any Personal Guaranty) and be in a form satisfactory to Seller and its counsel.

**7.4 Survival of Representations, etc.** All of the representations, and warranties made by Seller or Buyer, respectively, herein shall survive the Closing.

**7.5 IRS Documents.** Seller and Buyer agree that each party shall file all applicable IRS Forms and provide information to each other necessary to complete such Forms, including, but not limited to, respective Employer Identification Numbers.

#### **ARTICLE EIGHT: SELLER'S OBLIGATIONS AFTER CLOSING**

**8.1 Payment and Performance of Obligations by Seller.** Seller shall promptly pay, fully perform and hold the Buyer harmless with regard to, each and every obligation and liability of Seller, related in any way to the Unit, which was incurred prior to the Closing Date and which has not been assumed by Buyer.

#### **ARTICLE NINE: BUYER'S OBLIGATIONS AFTER CLOSING**

**9.1 Payment and Performance of Obligations by Buyer.** Buyer will promptly pay, fully perform and hold the Seller harmless with regard to any obligations related in any way to the operation or otherwise of the Unit on and after the Closing Date, as well as any obligation which has been assumed by Buyer or which is an obligation of the Buyer under this Agreement or otherwise.

#### **ARTICLE TEN: COSTS**

**10.1 Finder's Fee.** Each party represents and warrants that it has dealt with no broker or finder in connection with any transaction contemplated by this Agreement, and, as far as it knows, no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions. Seller and Buyer each agree to indemnify and hold harmless one another against any loss, liability, damage, cost, claim, or expense incurred by reason of any brokerage, commission, or finder's fee alleged to be payable because of any act, omission, or statement of the indemnifying party.

**10.2 Expenses.** Each party shall pay their own costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

#### **ARTICLE ELEVEN: TRANSFERABILITY OF INTEREST**

**11.1 Assignment by Seller.** This Agreement will inure to the benefit of the successors and assigns of Seller, which has the right to transfer or assign its interests in this Agreement to any person or entity it chooses and, on such assignment, Seller will be forever released from any, and have no further, obligation or liability to Buyer, whether arising from this Agreement or otherwise.



**11.2 Assignment by Buyer.** Buyer's rights and/or obligations under this Agreement (and/or any interest therein) are personal and may not be transferred, whether voluntarily or by operation of law, without the prior written consent of Seller (which may be granted, conditioned or withheld in its sole and absolute discretion) and any attempt by Buyer to make any transfer without first obtaining such consent shall constitute a breach of this Agreement by Buyer and be without force or effect. Buyer has received, reviewed and approved, with assistance of Buyer's own independent legal counsel, the repurchase provisions of Section 9 of the Franchise Agreement.

## **ARTICLE TWELVE: GENERAL**

**12.1 Risk of Loss.** Seller assumes all risk of loss, damage, or destruction to the Assets, up to the Closing Date. In the event of any such loss, which substantially impairs the value of the Assets, Buyer shall have the right to terminate this Agreement or to proceed with the Closing and receive an assignment of the applicable insurance proceeds. Buyer assumes all risk of loss, damage, or destruction to the Assets as of and after the Closing Date.

**12.2 Proprietary Information and Confidentiality.** Buyer agrees and acknowledges that Buyer will have received certain information about the Unit, its operation and the JUICE IT UP® System, which is proprietary and confidential ("Proprietary Information"). If a Closing does not occur as set forth herein, Buyer shall not disclose to any third party, nor shall Buyer or any of its directors, shareholders, officers, partners, employees, heirs, successors, agents or representatives utilize in any other manner, any of the Proprietary Information.

This provision shall survive the Closing. If any provisions of this Section or any part of this Agreement, should, for any reason whatsoever, be declared invalid, voidable or unenforceable by a court of competent jurisdiction, the validity or enforceability of the remainder of this Agreement shall not thereby be adversely affected.

**12.3 No Representations of, or Reliance on, Financial Information.** Buyer acknowledges that if it has received data and information regarding the financial performance of the Unit while owned and/or operated by Seller and required supplementary disclosures, that such information and data was provided at Buyer's request, that Buyer's operation of the Unit may not yield similar financial results and as such, the Buyer is at risk that it may not experience similar (or profitable) results. The Seller is unable to reliably estimate future results of operations of the Unit, even if operated by Seller, and certainly cannot reliably estimate financial or other results which the Buyer might experience. Buyer has elected to acquire the Assets and to become a JUICE IT UP® Franchisee based solely on Buyer's own independent investigation and assumptions.

**12.4 Indemnity Agreement.** Except as otherwise expressly provided herein, Buyer will indemnify and hold Seller and its respective affiliates, officers, directors, members, employees, partners, agents and representatives harmless from any and all claims, losses, damages, injuries and liabilities, including taxes, arising with respect to the Unit as of and after the date of the Closing.

Except as otherwise expressly provided herein, Seller will indemnify and hold Buyer harmless from any and all claims, losses, damages, injuries and liabilities arising with respect to the Unit prior to the date of the Closing.

**12.5 Post-Closing Business Operations.** Buyer will use reasonable efforts to have telephone calls forwarded to Seller and will take messages and forward any such messages to Seller.

After the date of the Closing, Seller shall notify its vendors that its mail should be addressed to its headquarters. If any of the forwarded mail belongs to Buyer, Seller shall return such mail to Buyer. If Buyer

receives mail belonging to Seller, Buyer will forward mail to Seller at its headquarters not less than once a week.

Seller will, at Buyer's sole expense, arrange for a transfer of any applicable utility service to the Unit. All utility deposits and fees will be prorated accordingly.

Buyer is responsible for, and will obtain at its sole expense (1) any and all city, county, state and federal permits and licenses required for Buyer to operate the Unit and the JUICE IT UP® Franchise and (2) all insurance required under the Franchise Agreement, any Lease or Sublease.

**12.6 Captions.** Any titles or captions contained in this Agreement are for convenience of reference only and shall not be deemed part of the context of this Agreement.

**12.7 Incorporation of Provisions Related to Dispute Resolution.** The provisions of the Franchise Agreement (which Buyer has received, reviewed and approved, with assistance of Buyer's independent legal counsel), including, without limitation, those providing for any dispute resolution process, shall apply to and govern this Agreement and any dispute between the parties (and/or involving any Affiliates) and are incorporated herein by reference and shall have the same effect as if fully set forth herein.

**12.8 Severability.** If any provision of this Agreement is deemed invalid or unenforceable for any reason and to any extent, the remainder of this Agreement shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

**12.9 Entire Agreement.** The parties intend and agree that (1) this Agreement (together with any attachments) contains the final, complete and exclusive expression of the terms of the parties' agreement with respect to the subject matter of this Agreement and is the final expression of their intent and entirely supersedes and replaces any and all prior and/or concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between the parties with respect to the subject matter of this Agreement, (2) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) with respect to the subject matter of this Agreement which are not fully expressed in this Agreement (together with any attachments) and (3) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever with respect to the subject matter of this Agreement have been made by any party or anyone else, nor have been relied on by any party nor will have any force or effect.

This Agreement supersedes any prior understandings and agreements between Buyer and Seller respecting its subject matter. Buyer acknowledges that Buyer has had access to advice by Buyer's own independent legal counsel (which is strongly recommended by Seller), has conducted an independent investigation of the Assets and the related franchise and business, and recognizes that the business venture contemplated by this Agreement involves speculative business risks, there is no assurance of success and any results will be primarily dependent upon Buyer's ability as an independent businessperson.

Seller and its Affiliates expressly disclaim the making of, and Buyer acknowledges that Buyer has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, success or otherwise of the business venture contemplated by this Agreement and, in particular, Seller and its Affiliates make no representation as to the possible financial performance of the JUICE IT UP® Unit that is the subject of this Agreement. THERE ARE, AND HAVE BEEN, NO REPRESENTATIONS, WARRANTIES, EARNINGS, REVENUE OR OTHER CLAIMS, AGREEMENTS, PROMISES, ARRANGEMENTS OR UNDERSTANDINGS,

ORAL OR WRITTEN, BETWEEN OR AMONG THE PARTIES HERETO RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT WHICH ARE NOT FULLY EXPRESSED HEREIN OR WHICH HAVE BEEN RELIED ON BY THE BUYER.

The Buyer has read, understood, had an opportunity to discuss and has agreed to, each provision of this Agreement and all other agreements and documents to be signed by the Buyer and Seller has recommended that Buyer have this Agreement and all other documents reviewed by Buyer's own independent legal counsel. The Buyer has not been under any compulsion to sign this Agreement or any other documents and all documents will be deemed to have been drafted by each party in equal parts and no presumptions or inferences concerning this Agreement's terms, interpretation or otherwise will result by reason of the fact that any party prepared any part of this Agreement, the Franchise Agreement or any other related document.

**12.10 Amendment.** Any modification or change in or to this Agreement must be in writing and signed by each of the parties.

**12.11 Insolvency.** No corporation, firm or person other than Buyer shall have or acquire any rights granted to Buyer hereunder by virtue of any bankruptcy, insolvency or assignment for the benefit of creditors or reorganization proceedings, or any receivership or other legal process, either under attachment, execution or otherwise, or in any manner whatsoever growing out of any proceeding or suit in law or in equity, without the prior written consent of Seller. In the event of any such proceeding being had or taken by or against Buyer or any assignee or successor in interest of Buyer's under any provisions of the law, including the various chapters of the bankruptcy act, or for the involuntary winding up of the Buyer or any assignee or successor in interest of Buyer's, without such proceeding being dismissed or such levies released within five (5) days therefrom, Seller shall have the option of terminating this Agreement and all rights of Buyer thereunder immediately. In the event of any proceeding to wind up or dissolve the Buyer, Seller shall have the option of terminating Buyer's rights under this Agreement immediately.

**12.12 Remedies. Waivers. Limitation of Liability.** All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or otherwise. The failure of any party to demand strict compliance with a covenant or condition hereunder shall not be a waiver of its rights to demand strict compliance in the future. In no event will any party's liability to the other in connection with this Agreement or the sale of the Assets exceed the Purchase Price.

**12.13 Notices.** The notice provisions of the Franchise Agreement to be signed by the Buyer are incorporated in, and shall apply to, this Agreement.

**12.14 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

**12.15 Acknowledgments.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT:

- (a) Buyer has entered into this Agreement as a result of its own independent investigation, after consultation with an attorney or other advisor(s) of its choice, and in any event not as a result of any representations of Seller, or its Affiliates, agents or representatives.
- (b) The success of the Unit will be primarily dependent upon the abilities and efforts of Buyer and its agents, and Seller, its Affiliates, agents and representatives have not made any representation that the Unit will be successful or profitable.

- (c) Buyer has not received and is not relying upon any financial projections or similar information or representations made by Seller, its Affiliates, agents or representatives.
- (d) A complete ready-to-sign copy of this Agreement and all other Agreements and documents was received by Buyer at least seven (7) days prior to the earlier of their execution by Buyer or Buyer's payment of any amounts, and a complete copy of the SJB Brands, LLC Franchise Disclosure Document, together with all attachments, was received by Buyer at least fourteen (14) days prior to the earlier of Buyer's execution of this Agreement or Buyer's payment of any amounts.

IN WITNESS WHEREOF, the parties have hereto caused this Agreement to be duly executed as of the date first above written.

SELLER:

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: President

*Sign here if "Buyer" is a natural person*

BUYER (Individual[s])

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

*Sign here if "Buyer" is a type of business entity*

BUYER (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation

\_\_\_\_\_  
Corporation, LLC or Partnership

By: \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**ATTACHMENT 1**

**ASSETS INCLUDED (LIST BELOW)**

**INVENTORY AND SUPPLIES ON PREMISES AT CLOSING TO BE LISTED AT CLOSING**

**ATTACHMENT 2**

**PREMISES LEASE INFORMATION**

BUYER WILL OCCUPY THE UNIT PREMISES UNDER THE FOLLOWING ARRANGEMENT: (INITIAL SELECTION BELOW)

\_\_\_\_\_ Buyer will sign a lease negotiated directly with the landlord of the Premises; or

\_\_\_\_\_ Buyer will sign an assignment agreement for the existing lease on the Premises, which assignment and existing lease are attached to this Attachment; or

\_\_\_\_\_ Buyer will sign a sublease agreement for the Premises, which sublease is attached to this Attachment. If this option is selected, you understand and agree that your rights under any sublease, unless you specifically negotiate more favorable terms to you directly with the landlord, are entirely subject to the Master Lessee's default under, right to cancel or not renew, and/or expiration of, its Master Lease.

IN WITNESS WHEREOF, the parties have hereto caused this Agreement to be duly executed concurrently with the Asset Purchase Agreement.

SELLER:

\_\_\_\_\_

By: \_\_\_\_\_  
Title: President

*Sign here if "Buyer" is a natural person*

BUYER (Individual[s])

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

[Signatures continue next page]

*Sign here if "Buyer" is a type of business entity*

BUYER (Corp., LLC or Partnership)

\_\_\_\_\_  
Legal Name of Franchisee Entity

a \_\_\_\_\_  
Jurisdiction of Formation Corporation, LLC or Partnership

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

### ATTACHMENT 3

#### PERSONAL GUARANTY

Each of the undersigned, to induce SJB Brands, LLC ("Seller") to enter into a certain Asset Purchase Agreement, dated \_\_\_\_\_, with \_\_\_\_\_ [Buyer's Legal Name] ("Buyer"), unconditionally, jointly and severally, personally guarantees to Seller, its successors, or its assignees, the prompt full payment and performance of all obligations of Buyer that are or may become due and owing to Seller including, but not limited to, all obligations arising out of the Asset Purchase Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Asset Purchase Agreement were signed between Seller and the undersigned directly, as Buyer.

Each of the undersigned expressly waives notice of the acceptance by Seller to or for the benefit of Buyer, of the purchase of inventory and goods by Buyer, the maturing of bills and the failure to pay the same, the incurring by Buyer of any additional future obligations and liability to Seller, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between Seller and Buyer, the taking of a note or other obligation from Buyer or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Buyer of bankruptcy, insolvency, reorganization or other debtor relief afforded Buyer under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of Buyer's obligations or liability to Seller, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Personal Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Personal Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by Seller of whatever remedies it may have against Buyer or others, or the enforcement of any lien or realization upon any security Seller may at any time possess. The undersigned hereby further waives all rights to revoke this Personal Guaranty at any time, and all rights to revoke any agreement executed by the undersigned at any time to secure the payment and performance of the undersigned obligations under this Personal Guaranty.

The undersigned agrees that any current or future indebtedness by Buyer to the undersigned will always be subordinate to any indebtedness owed by Buyer to Seller. The undersigned will promptly modify any



financing statements on file with state agencies to specify that Seller's rights are senior to those of the undersigned.

The undersigned further agrees that as long as Buyer owes any money to Seller (other than royalty and advertising fund payments that are not past due) Buyer will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Buyer to any of the undersigned, either directly or indirectly, without the consent of Seller.

The undersigned further agrees to be personally bound to perform the obligations and to refrain from performing the acts prohibited by the provisions of Section 12.2 (Confidentiality) of the Asset Purchase Agreement as though the undersigned had signed the Asset Purchase Agreement in the capacity of buyer. The undersigned consents to be bound by the provisions of Section 12.7 of the Asset Purchase Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of this Personal Guaranty or Section 12.2 of the Asset Purchase Agreement.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in this it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Asset Purchase Agreement, including all renewals and extensions, are fully paid and satisfied.

IN WITNESS TO THE FOREGOING, the undersigned have signed this guaranty on this day of \_\_\_\_\_, 201 .

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed name)

\_\_\_\_\_  
% Ownership

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner)

\_\_\_\_\_  
(Printed name)

**EXHIBIT F**  
**TO THE DISCLOSURE DOCUMENT**  
**MANUAL TABLE OF CONTENTS**

## JUICE IT UP – THE MANUAL

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**EXHIBIT G-1**  
**TO THE DISCLOSURE DOCUMENT**  
**RECEIPT (YOUR COPY)**

### Exhibit G-1 – Receipt

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If SJB offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale.

If SJB does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is SJB Brands, LLC, located at 17915 Sky Park Circle, Suite J, Irvine, CA 92614.

Its telephone number is (949) 475-0146.

The following are the names of the franchise sellers offering this franchise:

Chris Braun: 17915 Sky Park Cir., Suite J, Irvine, CA 92614, (949) 475-0146 x202

Lauren Gustin - 17915 Sky Park Cir., Suite J, Irvine, CA 92614, (949) 475-0146 x203

Marcus Skinner - 17915 Sky Park Cir., Suite J, Irvine, CA 92614, (949) 475-0146 x220

SJB authorized the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a disclosure document dated February 16, 2018\* that included the following Exhibits:

- |                                                  |                                              |                            |
|--------------------------------------------------|----------------------------------------------|----------------------------|
| A-1. State Administrators                        | C-4. Statement of Prospective Franchisee     | D-1. Roster of Franchisees |
| A-2. Agents for Service of Process               | D-2. Former Franchisees                      |                            |
| B. Financial Statements                          | E. Asset Purchase Agreement with Attachments |                            |
| C-1. Franchise Agreement with Attachments        | F. MANUAL Tables of Contents                 | G-1. Receipt (Your Copy)   |
| C-2. Area Development Agreement with Attachments | G-2. Receipt (SJB's Copy)                    |                            |
| C-3. California Addendum                         |                                              |                            |

\* The effective date of this disclosure document may be different in your state. Please refer to the page following the State Cover Page of this disclosure document for a list of effective dates.

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

**EXHIBIT G-2**  
**TO THE DISCLOSURE DOCUMENT**  
**RECEIPT (SJB'S COPY)**

## Exhibit G-2 – Receipt

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If SJB offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale.

If SJB does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

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I have received a disclosure document dated February 16, 2018\* that included the following Exhibits:

- |                                                  |                                              |                            |
|--------------------------------------------------|----------------------------------------------|----------------------------|
| A-1. State Administrators                        | C-4. Statement of Prospective Franchisee     | D-1. Roster of Franchisees |
| A-2. Agents for Service of Process               | D-2. Former Franchisees                      |                            |
| B. Financial Statements                          | E. Asset Purchase Agreement with Attachments |                            |
| C-1. Franchise Agreement with Attachments        | F. MANUAL Tables of Contents                 | G-1. Receipt (Your Copy)   |
| C-2. Area Development Agreement with Attachments | G-2. Receipt (SJB's Copy)                    |                            |
| C-3. California Addendum                         |                                              |                            |

\* The effective date of this disclosure document may be different in your state. Please refer to the page following the State Cover Page of this disclosure document for a list of effective dates.

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

Date: \_\_\_\_\_

Franchisee: \_\_\_\_\_

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