

FRANCHISE DISCLOSURE DOCUMENT

Kale Me Crazy Franchising, Inc.
A Georgia corporation
3167 Peachtree Rd., Suite F
Atlanta, Georgia 30305
(678) 654-8737
Franchising@kalemecrazy.net
kalemecrazy.net



The franchisor offers a franchise ~~license~~-agreement to operate at a single location a superfood cafe that specializes in selling smoothies, pressed juices, specialty drinks and shots featuring vegetables, fruits and other super foods, as well as selling high quality salads, acai bowls, wraps, and toast. These stores operate under the name “Kale Me Crazy®”.

Franchisor also offers a Multi-Unit Development Agreement, in which you may purchase the right to develop two, three, or four Kale Me Crazy® Units in a specified area.

The total investment necessary to begin operation of one Kale Me Crazy® is ~~\$310,307~~-~~321,447~~ to ~~\$493,197~~\$572,037. This includes \$40,000 that must be paid to the franchisor or its affiliates for one franchise. Multi-Unit Developers will pay us a total of \$72,500 for the right to open two Units; \$102,900 for the right to open three Units; and \$126,020 for the right to open four Units.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Roi Shlomo at 3167 Peachtree Rd Suite F, Atlanta, GA 30305 or call (678) 654-8737.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant. Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

ISSUANCE DATE: ~~June 6~~March 8, 2022 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.
2. **Liquidated Damages.** Upon termination of the franchise agreement due to default of the franchisee, liquidated damages would be due to the franchisor.
3. **Failure to Develop Units/Loss of Initial Franchise Fees.** If you agree to become a multi-unit developer and fail to develop any unit or units in accordance with the development schedule, you will lose any unapplied portion of your initial franchise fee (for units not opened).
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

KALE ME CRAZY FRANCHISING, INC. FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language in this Disclosure Document, “We” or “Kale Me Crazy®” means Kale Me Crazy Franchising, Inc., the franchisor. “You” means the person(s) who buy(s) the franchise. Kale Me Crazy Franchising, Inc. is a Georgia corporation formed on July 18, 2014. Our principal place of business is at 3167 Peachtree Rd. Suite F, Atlanta, GA 30305, and our phone number is (678) 654-8737.

We have three related companies. KMC 8801 LLC, RS Ventures Group LLC, and KMC Buckhead LLC (“Affiliates”). KMC 8801 LLC is a California limited liability company formed in California and based in West Hollywood, ~~CA~~ California. It will own and operate the Kale Me Crazy® West Hollywood store that is scheduled to open in July 2022. R.S. Ventures Group, LLC owns and operates a Kale Me Crazy® store in the Toco Hills neighborhood in Atlanta, ~~GA~~ Georgia. KMC Buckhead, LLC owns and operates a Kale Me Crazy® store that is based in the Buckhead neighborhood in the Atlanta, GA.

Our affiliate, RS Ventures Group, LLC, whose principal business address is P.O. Box 682345, Marietta, GA 30068 operated a Kale Me Crazy® location in the Inman Park neighborhood of Atlanta from 2013 until December, 2020, when that location was sold and became a franchised unit. In June 2021, RS Ventures Group, LLC purchased the Kale Me Crazy® Toco Hills franchised unit located at 2929 N. Druid Hills Rd., Atlanta, GA 30329. R.S. Ventures Group, LLC now owns and operates that unit. In July 2016, our affiliate KMC Buckhead, LLC opened a unit and has its principal business address at 3167 Peachtree Road NE, Atlanta, GA 30305 in the Buckhead neighborhood. KMC 8801, LLC, our affiliate, has its principal address at 8801 Santa Monica Blvd., West Hollywood, CA 90069 and is scheduled to open a unit in the West Hollywood, California neighborhood in ~~July 2022~~ the Summer of 2023. We have no Predecessor, Parent company or any other Affiliates.

Our agent for service of process in Georgia is Roi Shlomo. Refer to the Schedule of State Agencies attached for information on the agent for service of process in other states where we may be registered.

While we have not yet and do not operate a business of the type to be operated by you, our affiliates, have done so since 2015. A previous affiliate KMC Decatur, LLC, operated a Kale Me Crazy® location in Decatur, ~~GA~~ Georgia from April 2015 until June 2021, when its operations were assumed by a franchisee prior to closing on its sale; the location was later sold and became a franchised unit. ~~Another previous affiliate KMC WeHo, LLC was based in Los Angeles, California and owned and operated the Kale Me Crazy® Los Angeles location that closed in January 2021 in 2022.~~ No affiliate has offered Franchises for this business, conducted business in any other line, or offered franchises in other lines of business.

We grant you the right to operate a superfood cafe selling smoothies, juices, shots, specialty drinks acai bowls, salads, wraps, and toast under the Kale Me Crazy® name as specified in the Operations Manual (“Manual”). To be successful, we expect that your store should be located in areas with high concentrations of potential customers who are interested in consuming health food. We may add a variety of other items to the menu, and if so, these items will require an investment in

additional equipment and training in order to meet the standards that will be contained in our Manual. You may provide Catering services if your operation meets the standards in the Manual and the Franchise Agreement. You will also serve certain non-alcoholic beverages. You will market and operate your businesses under the trade name “Kale Me Crazy[®],” for which we have a federal trademark registration with the U.S. Patent and Trademark office. You may also use our slogan “Healthy Habits Start Here” and other slogans or marks which we have or may have in the future.

You will operate each Unit you purchase from one approved location within a Designated Area. The Unit has to be decorated to our standards, and you must utilize products and equipment from our approved list of vendors. All stores will maintain an assortment of flavors as described in our Manual, plus seasonal/holiday selections. We do not believe our business is seasonal.

We also offer the opportunity to purchase two, three, or four units, with a discount from the Franchise Fee paid for the previous unit for each subsequent unit. If you purchase a two-unit Multi-Unit Development Agreement, you will pay us a total franchise fee of \$72,500. If you purchase a three-unit Multi-Unit Development Agreement, you will pay us a total franchise fee of \$102,900. If you purchase a four-unit Multi-Unit Development Agreement, you will pay us \$126,020. All of these fees are fully earned upon payment and non-refundable. You will develop these units within an area that we will determine with you, called your “Designated Area”. Upon establishing each additional outlet under a Development Agreement schedule, an Area Developer may be required to sign a Franchise Agreement that is different from the current Franchise Agreement included with this FDD. You will sign the then-current form of Franchise Agreement as you open additional units.

We expect that our stores will be located primarily in neighborhood strip centers in areas where customers are interested in consuming health food. The size of the store will vary from 1,350 to 1,750 square feet for an initial unit and 1,000 to 1,500 square feet for additional locations depending on the market and availability of space. The stores will be designed and decorated similar to all other Kale Me Crazy[®] stores. It is the desire to achieve a pleasing atmosphere reflecting the freshness and healthfulness of the product.

We will teach you our methods for managing your business and assist you in implementing our marketing system. We will assist you in selecting a suitable territory and a suitable location within that area. We will show you how to decorate and equip your store. We will provide procedures for marketing your store to the local spin studios, yoga studios, gyms, outdoor activity participants in the area, and nearby neighborhoods and businesses; for obtaining catering referrals; for recruiting and for teaching your staff to promote and deliver the products you will offer.

We offer major advantages to you in entering the superfood cafe and healthy food market. We will provide start-up marketing assistance in your area; and conduct research and analysis of new services and products for you to offer in the future. We award you the right to use our name and logo in your market for soliciting business, in advertising, signage, brochures, letterhead and business cards. We will also add your store’s information to our ~~web site~~ [website](#) to help you gain name recognition in your community and generate business. While we believe that your affiliation with our system is very beneficial, it does not guarantee that you will develop a successful or profitable business operation.

We have been offering franchises since January 2015. We have not offered franchises in any other lines of business, but our principal owner previously owned and operated Yogli Mogli Franchise, LLC, which franchised frozen yogurt stores. Mr. Shlomo sold that business in 2014. We, or our Affiliates, may, in the future, operate Kale Me Crazy® stores in various markets that we do not currently serve, but we will not operate a Kale Me Crazy® store in a franchisee's territory. We operate the website, www.kalemecrazy.net, which promotes our stores through the internet. We will add new store locations, including yours, to this website, when the store opens for business.

There are no state or federal regulations specific to the operation of a Kale Me Crazy® store. In most markets, you will have to obtain a health or food service license or permit from local authorities and maintain a cleanliness record that will allow you to continue serving patrons. You will be required to comply with numerous government regulations affecting the operation of your franchise and your relationship with employees, including local zoning regulations, minimum wage requirements, overtime, working conditions and citizenship requirements. There may be other laws applicable to your business and we urge you to make further inquiries of your advisors and local government officials about such regulations.

You will compete with other businesses offering a similar menu. The market for health foods generally, and kale products specifically, is developing. The restaurant industry as a whole is highly competitive and developed.

~~Note that the ongoing development of the COVID-19 epidemic is having and will have an impact on laws, rules and regulations relating to the operation of a superfood cafe, including orders or recommendations that they close or impose social distancing measures for unknown periods of time.~~

2. BUSINESS EXPERIENCE

Mr. Roi Shlomo: President, Chief Executive Officer: Mr. Roi Shlomo is the founder and CEO of Kale Me Crazy Franchising, Inc., a position he has held since we were incorporated in July 2014. He is the founder and CEO of our Affiliate KMC 8801 LLC a position he has held since February 2021 in West Hollywood, CA. He served as founder and CEO of our Affiliate, KMC WeHo, LLC from March 2019 to January 2021 in Los Angeles, CA. He is the founder and CEO of our Affiliate, KMC Buckhead, LLC, a position he has held since December 2015. He served as the founder and CEO of our Affiliate, KMC Decatur, LLC from September 2014 to June 2021. He is the founder and CEO of our Affiliate, RS Ventures Group, LLC, a position he has held since June 2013 in Atlanta, GA. All positions held in Los Angeles, California, West Hollywood, California, and Atlanta, Georgia.

Mr. Liad Shlomo: District Manager: Mr. Shlomo has been our District Manager since November 2014, in Atlanta, Georgia. All positions held in Atlanta, Georgia.

Mr. James Chase Garner: Franchise Operations Director: Mr. Garner has been our Franchise Operations Director since August 2018. He served as our Operations Manager from November 2014 to August 2018. All positions held in Atlanta, Georgia.

~~Ms. Leah Trotter: Franchise Operations Manager: Ms. Trotter has been our Franchise Operations Manager since August 2018. She served as General Manager to RS Ventures Group, LLC from~~

~~February 2016 to August 2018~~ Maria Rovayo: Art Director: Ms. Rovayo has been our Art Director since January 2022. From August 2016 to December 2021, she served as a Creative and General Manager for Melania Clara Jewelry. All positions held in Atlanta, Georgia.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

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

5. INITIAL FEES

All franchisees pay a uniform Initial Franchise Fee of \$40,000 ~~for a license~~ to operate one Kale Me Crazy® Superfood Cafe franchise. Payment of this fee must be made in a lump sum when you sign your Franchise Agreement. We anticipate that the Initial Franchise Fee will be uniform throughout ~~2021~~2023. Our initial franchise fee during our ~~2021-2022~~ fiscal year ~~ranged from \$10,000 to was~~ \$40,000. We ~~sold one unit did not sell any units~~ with an initial franchise fee in ~~the a reduced amount of \$10,000; we do not plan to provide discounts on any additional unit franchise initial fees~~. Initial franchise fees are not refundable under any circumstances.

You may also enter into a Multi-Unit Development Agreement. If you purchase a two-unit Multi-Unit Development Agreement, you will pay us \$72,500 in Initial Franchise Fees; if you sign a three-unit Multi-Unit Development Agreement, you will pay us \$102,900 in Initial Franchise Fees; and if you sign a four-unit Multi-Unit Development Agreement, you will pay us \$126,020 in Initial Franchise Fees. All of these fees are due in full when you sign a Multi-Unit Development Agreement, and all fees are non-refundable. You will develop these units within an area that we will determine with you, on a Development Schedule we will also determine with you. If you fail to meet the Development Schedule, you may be in default under the Multi-Unit Development Agreement and you may forfeit Initial Franchise Fees for units not yet developed. The form of the Multi-Unit Development Agreement is attached as Exhibit F. You will sign the then-current form of Franchise Agreement as you open each additional unit.

Each additional Franchise ~~License~~ Agreement includes the right to own and operate one store at a location that has been accepted by us in advance.

6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of total gross receipts.	Payable weekly by Wednesday of the following week (week ending on Sunday) based on the Royalty Report you must submit via approved methods.	Total gross receipts includes all revenue collected by the franchise. ¹
Advertising Fees	Up to 2% of total gross receipts of your business annually, currently we charge 1%.	This fee will be Payable weekly by Wednesday of the following week (week ending on Sunday) based on the Advertising. Fee Report must submit via approved methods. ²	We will utilize the National Advertising Fee to promote the system's products and services and to produce advertising media for use in local markets. ³
Transfer	If you sell your franchise to someone else, Twenty-Five Percent (25%) of the Initial Franchise Fee being charged to new franchisees at the time of the transfer will be due to us.	Prior to consummation of transfer.	Payable to us when you sell your franchise and includes 3 seats for Training. No charge if the franchisee is transferred to an entity which you own.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	Ten Percent (10%) of the Initial Franchise Fee being charged to new franchisees at the time of the renewal will be due to us when you renew your Franchise License Agreement at the end of its 10 year term.	30 days before renewal (at the end of your 10 year license agreement).	Payable to us.
Late Fee	\$100 for each late payment of Royalties or any other sums due to us from you.	At time you make late payment.	Applies to payment which are more than 7 days late.
Interest	1.5% per month on late payments.	At time you make late payment.	Applies to payments which are more than 7 days late.
Convention Fees and Conference Fees	Not yet known—based on our cost of hosting conventions, or conferences, but we anticipate this will be \$500 or less per attendee.	When we implement annual franchisee convention or require conferences at our headquarters.	Not yet in effect—only applies if we implement an annual convention or implement conferences.

Type of Fee	Amount	Due Date	Remarks
Audit	If we feel it is necessary to audit your books and an underpayment of 3% or more is discovered, in addition to any under payment, you must pay us a penalty of 15% of the underpaid royalty plus 18% annual interest and the cost of the audit. ⁴	3 days after billing.	Payable to us by you only if an audit shows an underpayment of at least 3% of gross receipts for any month or if we performed the audit due to your failure to report revenues.
Insurance	What we pay to purchase insurance if you fail to do so.	As required.	Payable to us if you fail to maintain insurance and we buy it for you.
Liquidated Damages	See footnote 5		
Fines for non-compliance	See footnote 6 Between \$100 and \$1,000 per violation per day _u	Within ten days of our notifying you of fines' imposition.	We may levy fines as specified in the Operations Manual for your failure to comply with the Operations Manual after written notice has been given to you and you still have failed to comply.

1. All fees are imposed by and are payable to us. All fees are non-refundable and uniformly imposed.
2. You must permit us to debit your checking account for payment of your Royalty and Advertising Fees based upon reports that you must fax, email or send by other electronic means to headquarters each week. Interest begins from the date of any underpayment.

3. You must pay royalties on all funds charged by your business. We do not collect royalties on free meals you give to your employees.
4. We currently collect the National Advertising Fee, at a rate of 1% of Gross Receipts, but we may change this. We have the ability to require that you and all franchisees pay up to 2% of their weekly gross receipts. We will administer the Kale Me Crazy® Ad Fee with the guidance of a committee consisting of Franchise Owners and our representatives, but we reserve the right to make all final decisions on advertising. Our company or Affiliate owned stores contribute the same percentage of weekly gross receipts as that paid by franchisees. (See Section 11 of the Franchise Agreement for further information)
5. If we terminate your Franchise Agreement for cause, you must pay us within 15 days after the effective date of termination liquidated damages in the amount of \$10,000.
6. Under the Franchise Agreement, we may impose fines for your failure to comply with the Franchise Agreement or the Operations Manual. The amount of any fine may vary based on the severity of the failure and whether this is the first or a later failure.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$40,000 (One unit)	Lump Sum	When you sign a Franchise Agreement.	Kale Me Crazy Franchising, Inc.
Travel & Living Expenses while Training	\$3,000 to \$5,700	As Incurred	During Training	Airlines, Hotels, & Restaurants
Leasehold Improvements ²	\$90,000 to \$170,000 <u>\$220,000</u>	As Incurred	Before Opening	Local Vendors
Furniture, Equipment, Smallwares, Signage ^{3 4}	\$92,210 to \$136,000 <u>\$103,350 to \$143,340</u>	As Incurred	Before Opening	Local Vendors
<u>Grand Opening and Opening Advertising</u> ⁵	\$2,000-4,500 to \$3,000 <u>6,000</u>	As Incurred	Before Opening	Local Vendors, <u>Suppliers</u>
Initial Inventory	\$12,000 to \$16,000	As Incurred	Before Opening	Local Vendors
Legal & Accounting	\$1,500 to \$2,500 <u>10,000</u>	As Incurred	Before Opening	Local Vendors
Architectural and Engineering Fees	\$7,000 to \$10,000	As Incurred	Before Opening	Local Vendor
Insurance	\$480	As Incurred	During the Initial 3 month period	Local Vendor
Phone and Internet	\$360 to \$860	As Incurred	During the Initial 3 month period	Local Vendor

Permits and Business License	\$750 to \$4,000	As Incurred	Before Opening	Regulatory authorities, city, state, local governments
Security and Lease Deposits ⁶	\$3,000 to \$12,000	Before Opening	Before Opening	Landlord
Point of Sale ⁷ System	\$3,485	As incurred	Before Opening and during the Initial 3 month period	Approved Vendor
Dish Machine Rental	\$300 to \$450	As Incurred	During the Initial 3 month period	Approved Vendor
Mobile App Fee	\$357	As Incurred	During the Initial 3 month period	Approved Vendor
Grand Opening	\$2,500	As arranged	As arranged	Suppliers
Gift Cards and Gift Processing	\$365	As Incurred	During the Initial 3 month period	Approved Vendor
Rent ⁸	\$0 to \$16,500 <u>\$24,000</u>	As Incurred	During the Initial 3 month period	Landlord
Payroll Expenses	\$36,000 to \$44,000	As Incurred	During the Initial 3 month period	Payroll Vendor and employees
Additional Funds during initial three month period ⁹	\$15,000 to \$25,000 <u>\$31,000</u>	As Incurred	During the Initial 3 month period	Vendors
TOTALS	\$310,307 to \$493,197 ⁺⁰ ++\$321,447 to \$572,037 ^{+0 11}			

Notes:

1. See Item 5 for details on when reductions may apply. The Initial Franchise Fee of \$40,000 is for one unit only. If you decide to purchase a Multi-Unit Development Agreement, the Initial Franchise Fee will be: for two units -- \$72,500, three units -- \$ 102,900, and for four units -- \$126,020.

2. A suitable initial unit will be 1,350 to 1,750 square feet, and later locations that are relatively near the initial location can be 1,000 to 1,500 square feet. Your initial unit will have a juicing facility, from which you will deliver juice to other units each morning. You will also likely prepare catering orders from your initial unit. The storefront should be at least 25 feet wide. You will incur leasehold improvement costs and you will pay ongoing rental fees for the space. The high end of the cost includes the buildout cost for the exterior façade of the space. These numbers reflect build-out costs after tenant improvement allowance is applied.

3. Furniture, Equipment and Signage include items in the following chart:

Kitchen Equipment	\$55,000-61,000 to \$71,000
Office Equipment	\$1,000 to \$2,000
Customer Area Furniture	\$3,360-3,500 to \$8,767 12,000
Security Cameras and Audio System	\$3,500 to \$4,400
Smallwares	\$5,000-10,000 to \$8,000 12,000
Safe	\$500
Signage	\$5,800 to \$12,750
Juicers	\$15,000 to \$25,000
Water Filtration System	\$2,300
Accessories	\$750 to \$1,280 1,500
TOTALS	\$92,210 to \$135,997 \$103,350 to \$143,450

4. If you sign a Multi-Unit Development Agreement you may have lower costs for later Units because you may obtain juices from your initial unit, and catering services will generally be run from the initial, larger unit.

~~Start-Up Promotion~~5. We have developed advertising campaigns that will introduce your store to your marketplace. You will arrange with various vendors to execute these programs between 30 days before and 90 days after opening. Your investment in Startup Advertising will vary depending on the cost of media, the competition in your marketplace and your short-term goals.

6. This figure for “Security Deposits” assumes that you will pay the first and last month’s rent and typical utility deposits when you sign your lease.

7. This figure includes the purchase of equipment and three months of service fees.

8. A majority of stores receive two or more months of free rent, but landlord rent concessions may vary considerably.

9. Additional Funds estimates the cash or credit lines you should have available when you open your business to cover any expenses that exceed revenues during the first three months. These

expenses include payments for your staff, but not you. You should plan on covering personal expenses without making draws on the business for some period of time from the date of opening. We cannot predict how long it will take your unit to achieve significant positive cash flow. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your Kale Me Crazy® store; the prevailing pay rates; competition; and the sales level reached during the initial period.

10. To create these estimates of how much you may spend through the first three months of operations, we relied on the most recent franchised locations' experience in their businesses to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. None of the payments listed in this Item are refundable. Neither we nor any affiliate of ours finance any part of your initial investment.

11. The Initial Franchise Fee is not refundable; all other payments are to third parties and may or may not be refundable.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All Kale Me Crazy® franchisees offer the same menu utilizing ingredients that meet the quality standards set forth in the Manual. You may not substitute brands without written approval from us, but in most markets there will be multiple vendors for the same products. Any materials you utilize in providing services or products sold by your Kale Me Crazy® franchise must be approved in advance by us. In order to help keep the cost of food products, packaging and equipment to a minimum, you will purchase your food products, packaging products, point of sale system, furniture and equipment from designated vendors. Most purchases can only be made from approved third party vendors. There is one approved vendor, Chosen Payments Atlanta, LLC, in which one of our owners owns an interest in. During the fiscal year ended December 31, ~~2021~~2022, ~~Chosen Payments Atlanta, LLC had \$207,564.76 in total revenue.~~ Chosen Payments Atlanta, LLC received ~~\$10,407.42 (5.01%)~~ 11,184.86 from the sale of these items to our franchisees.

We anticipate being able to arrange volume purchasing discounts from our vendors for our franchisees. As of the date of this Disclosure Document, we have such an arrangement with Captiva Containers, Summit Restaurant Solutions, and Qu POS system. You will pay any vendors directly. There are no purchasing or distribution cooperatives. No currently approved suppliers are the franchisor or any of its affiliates or affiliated persons.

Neither we, nor our affiliates are approved suppliers for any items you are required to purchase in connection with your franchised business. We reserve the right to change this.

We will provide you with a list of our then-current approved products and services along with their standards and specifications. We may update this list at any time. When determining whether to grant a new or additional franchises, we may consider your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

We estimate that purchases from approved suppliers or in accordance with our specifications will represent approximately 95% of your total purchases to establish, and approximately 95% of your total purchases to operate, your franchise. However, 95% of your purchases of food products must be made in compliance with our established standards and approved vendors as detailed in our Manual. We do not provide material benefits to you based on your purchases of particular products or services or use of designated or approved suppliers.

If you want to purchase items from a supplier not previously approved by us, you must put that request in writing, providing us with sufficient information with which to make a decision as to the new vendor. We do not provide you our criteria for approving new suppliers. We do not anticipate charging you any fees to review a new supplier. We expect that we will make a decision on any proposed supplier within 30 days after receiving all of the necessary information. Decisions as to new suppliers will generally be made by our President, who will base his decision on the quality of the goods, pricing and delivery terms, and the reliability and reputation of the proposed vendor. We may contract with alternative suppliers. Once approved, we may revoke approval of a supplier by written notice to you and the other franchisees.

You must also purchase letterhead, business cards, signs, marketing materials and supplies in accordance with quality standards set forth in the Manual. These specifications include standards for quality, reliability and delivery. These products may be offered by us but may be purchased from any vendor of your choosing. You do not purchase computer hardware or software from us or from designated sources, and as shown in Items 7 and 11 of this Disclosure Document, you can anticipate spending approximately \$2,960 for computer hardware, software and related equipment. Included in this software is store management software, currently a part of Qu POS system.

We or our related companies may derive income or benefits from the purchases by our franchisees of required items from approved vendors. If we receive rebates or other payments there is no restriction on our use of this money, unless otherwise required by or agreed to by the Approved Supplier. These rebates may include both up-front payments and payments based on usage/purchases by Superfood Cafes in the System. In ~~2021~~2022, we received a total of ~~\$25,734.75~~28,905.17 in rebates as a result of purchases by our franchisees. This included ~~\$12,019.73 from Sysco, \$7,031.40~~23,796.26 from Freshpoint Atlanta, ~~\$6,350.34 from Summit Restaurant Solutions, \$250.78~~2,506.50 from Ecolab, and ~~\$82.50~~2,602.41 from ADP.

A. Insurance and Indemnification

You must maintain adequate insurance and indemnity coverage throughout the term of your Franchise Agreement as mandated by our Manual. You must also indemnify, or reimburse us for, any losses or expenses we incur as a result of your actions or inaction. You must obtain coverage provided by a carrier with an A.M. Best rating of A VIII or higher, and to identify us as a named insured to the extent of our interest. Franchisee acknowledges that this requirement shall in no way be construed as making Franchisee the agent of Franchisor. Franchisee agrees to provide the following coverage (insurance limits specified are minimum recommended limits and are subject to change from time to time) and in connection therewith to identify Franchisor as a named insured to the extent of its interest:

(i) Comprehensive blanket general public liability insurance, including product liability insurance, to be maintained against claims for personal injury, death or property damage suffered by others upon, in or about the Premises or occurring as a result of the maintenance or operation of any automobiles or other vehicles, owned, hired and non-owned, or as a result of the use of the products sold by it or services rendered by it or any claims arising out of the Business pursuant to this Agreement or the operation of the Superfood Cafe with a single bodily injury and property damage limit of at least \$1,000,000, per occurrence and \$2,000,000 in the aggregate;

(ii) Coverage for fire, vandalism, theft, burglary liability with limits of not less than ninety percent (90%) of the replacement value of Franchisee's leasehold improvements, furniture, fixtures, equipment, and inventory.

(iii) Workers' Compensation coverage (when required) per state law for injured Employees; and Employers Liability Limit of \$100,000 per Injury, \$500,000 Policy Limit and \$100,000 Per Employee;

(iv) Automobile liability for owned, leased, hired and non-owned vehicles with recommended limits of at least \$1,000,000 combined single limit Medical/Personal Injury Protection and \$1,000,000 Uninsured/Underinsured Motorist;

(v) Business interruption coverage sufficient to pay for Franchisee's lost revenues, including any royalties or other amounts due to Franchisor during any period of business interruption to casualty;

(vi) Any and all bonds required by state law.

Before opening your business, you must deliver to us certificates or policies evidencing that your insurance is in full force and effect, and each year during the term of this Agreement, you must furnish premium receipts or other satisfactory evidence that such policies have continued in effect. Should you fail to maintain the required insurance, or furnish proof thereof, we have the option to obtain such insurance for you at your sole cost and debit your operating account for that cost. You must promptly notify us of any and all claims made under those policies of insurance, whether against you, us, or your or our employees or agents.

B. Refurbishment, Remodel or Replace

You must maintain the appearance of the facility and the equipment in good working order. On or before the five (5) year anniversary of your Superfood Cafe's opening, you are required to remodel the facility to our then current standards. The equipment may be either refurbished or replaced. We may require you to remodel more frequently or sooner than the five (5) year anniversary, as deem appropriate. If upon inspection, the facility and equipment have not been maintained to standards, Kale Me Crazy® may notify you in writing that you must bring the facility and equipment up to the then current standards within ninety days.

C. Maintenance, Service and Support Contracts

The third party vendor Qu POS System, who supplies the point of sale system, sells a monthly support contract, offering updates and phone support, currently for \$175.00 a month. You must purchase this monthly support from Qu POS System.

We also require you to enter into service contracts for your business which include the following, at the current monthly cost shown (that cost may increase as the vendors each choose):

- Mobile App - \$119/month
- Dishwasher rental, maintenance/service - \$100 - \$150
- Gift card processing - \$35

D. Specifications

We require that at all times you comply with the various operational manuals that we maintain and update for franchisee use, such as, but not limited to our [Written Recipes and Kitchen Procedures](#), Catering Manual, Food Cost Manual, and the like (collectively referred to by us as the Operations Manual or the Manual).

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.

In the table below, the following abbreviations have these meanings: FA means the Franchise Agreement, and MUOA means the Multi-Unit Operator Agreement.

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/ lease	FA – Section II MUOA – Section III	Items 7 and 11
b. Pre-opening purchases/leases	FA – Sections VI, VII and VIII	Items 6 and 7
c. Site development and other pre-opening requirements	FA – Section II	Items 7 and 11
d. Initial and ongoing training	FA – Section VI	Item 11
e. Opening	FA – Section VI	Items 5 and 11D

f.	Fees	FA – Sections III, IV, V, VII, VIII, XI, XIV and XVIII MUOA – Sections II and III	Items 5, 6, and 7
g.	Compliance with standards and policies/Manuals	FA – Sections II, III, VI, VIII, IX, X, XI and XII	Items 11
h.	Trademarks and proprietary information	FA – Sections IX and X and Attachment D MUOA – Section VII	Items 13 and 14
i.	Restrictions on products/services offered	FA – Section VII MUOA – Section VII	Items 8 and 16
j.	Warranty and customer service requirements	FA – Section VII	Item 11
k.	Territorial development and sales quotas	MUOA – Section III	Item 12
l.	Ongoing product/service purchases	FA – Section VII Items	8 and 16
m.	Maintenance, appearance and remodeling requirements	FA – Sections II, VII and XIV	Item 11
n.	Insurance	FA – Section XII	Items 7 and 11
o.	Advertising	FA – Section VIII	Items 6 and 7
p.	Indemnification	FA – Section XV MUOA – Section XIV	Item 13
q.	Owner's participation/management/staffing	FA – Sections VI, XIV, XV and XIX MUOA – Section VII	Item 15
r.	Records and Reports	FA – Sections IV, VII and XI	Item 6
s.	Inspections and audits	FA – Sections II, VII and XI MUOA – Section XII	Item 6

t.	Transfer	FA – Section XIV MUOA – Section XI	Items 6 and 17
u.	Renewal	FA – Section III MUOA – Section V	Items 6 and 17
v.	Post-termination obligations	FA – Section XVIII MUOA – Section X	Item 17
w.	Non-competition covenants	FA – Section X and Attachment D MUOA – Section XII	Item 17
x.	Dispute Resolution	FA – Section XIX MUOA – Section XIX	Item 17
y.	Liquidated Damages	FA –Section XVIII	Item 6

10. FINANCING

Neither we nor any affiliate offer direct or indirect financing. We do not guaranty your note, lease or obligation.

11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Kale Me Crazy Franchising, Inc. is not required to provide you with any assistance.

A. Prior to Opening:

1. We will assign your Designated Area and protect you from having another franchisee, us, or our affiliates, open a Kale Me Crazy® Superfood Cafe within your Designated Area. (Franchise Agreement Section 1.4)

2. Within 30 to 60 days of your projected opening, we will provide a 15 day class called Kale Me Crazy® Academy to train you and two other persons at or near our Atlanta, Georgia headquarters. (Franchise Agreement Sections 5.1 and 6.4)

3. Shortly after signing your Franchise ~~License~~Agreement, we will work with you to find and build a facility for your Kale Me Crazy® store. We will assist you by phone or ~~you may visit us for a one-day class on Site Selection~~in-person. (Franchise Agreement Section 5.2)

4. When you find sites that you feel are suitable and meet the needs of your Kale Me Crazy® Franchise, you will submit the sites and proposed lease for our acceptance. We will review your choices and corresponding documents to verify that they meet our standards and discuss our findings with you and issue acceptance subject to our comments and suggested changes regarding the lease. (Franchise Agreement Article 2) You must identify a site location and sign a lease that is acceptable to us within ninety (90) days from the date of the Franchise Agreement; if you and we cannot agree upon a site within that time, you must continue your efforts. However, if you

have not opened for business within 180 days of signing the lease, we may terminate the Franchise Agreement (Franchise Agreement, Section 2.6)

5. You must use our designated architect. You will be responsible for paying the architect directly.

6. Franchisor will assist you by designating approved suppliers for equipment, signs, fixtures, opening inventory, and suppliers; we do not currently provide written specifications for these items, but reserve the right to do so.

B. During the operation of the franchised business, we will:

1. Provide your unit's information on our website to assist customers in finding your Superfood Cafe. (Franchise Agreement - Section 8.7)

2. Maintain a telephone advisory service to provide a prompt response to your operational, administrative, sales, and management questions regarding the operation of your franchise. (Franchise Agreement - Section 5.7)

3. Identify new menu items and products and train you in methods for implementing them in your business. We will also provide you with information about developments in the industry that may impact your business.

4. Lend you a copy of our Manual which contains mandatory and suggested specifications, standards and procedures. This manual is confidential and remains our property. We may modify this manual, but the modification will not alter your status and rights under the Franchise Agreement. (Franchise Agreement - Section 5.4) The table of contents of our current Manual is attached as Exhibit G to this disclosure document and is 92 pages.

5. When a sufficient quantity of franchises are operating, we will hold annual conferences to discuss improvements in the Kale Me Crazy® system, new menu items, additional supplier opportunities, sales and pricing techniques, improved operating techniques, quality control, advertising programs and accounting. We may or may not charge you a conference fee but you must pay all your travel and living expenses. These elective conferences may be held at our Atlanta, Georgia headquarters or at other locations of our choosing. (Franchise Agreement - Section 6.5)

6. We may, from time-to-time, develop advertising and marketing materials for use in your territory. You will receive samples of these items at no charge. If you want additional copies you must pay us or other vendors for them. You may develop advertising materials for your own use, at your own cost. We must approve these materials in writing in advance of their use. Your Franchise Agreement requires that you spend ~~up to~~.5% of sales per year in local marketing. We reserve the right to require you to join any advertising cooperative established in your area, and to spend some or all of the .5% with the cooperative. We may increase this local marketing percentage upon notice to you. In addition, we have an Ad Fund; currently we are charging a 1% of Gross Receipts fee, however, we reserve the right in the future to increase the fee. It will be no more than 2% of Gross Receipts. The Kale Me Crazy® Ad Account is currently administered by us, but we intend to seek the guidance of a committee consisting of Franchise Owners and our

representatives. Each year that the fee is active, a non-audited compilation of its financial activities will be prepared by an independent CPA and shared with all franchisees. In addition, any funds not spent in the year collected remain in the account to be expended in future years. Any company or affiliate owned Superfood Cafes will contribute the same percentage of revenues as our franchisees are required to contribute toward the National Advertising Fee. There are no governing documents for the advertising fund as of the date of this Disclosure Document. No portion of the advertising fund will be used to solicit new franchise sales (Franchise Agreement - Sections 8.2 and 8.3), although advertising may state that franchises are available.

C. Computer Purchases.

You are required to have a Point-of-Sale System which includes the following: Qu POS Terminal, 8" Customer-Facing LCD Screen, Credit Card Terminal, Cash Drawer, and Thermal and Non-Thermal Printers. You will need to purchase the store management software package that we specify, currently Qu POS System. While we have researched the products available and are confident in our selection, we reserve the right to require utilization of a new software solution in the future. You will need a high-speed internet connection (cable or DSL, no dial up) to complement the computer system. As shown in Item 7 of this Disclosure Document, you can expect to spend approximately \$2,960 on the computer hardware, software and related equipment, and you can expect to spend approximately \$1,000 each year of optional or required maintenance, updating, upgrading or support of the equipment. You are required to upgrade the hardware and software as we specify; there are no limits on the cost or frequency of those upgrades. The third-party vendor Qu POS System, who supplies the point-of-sale system, sells a monthly support contract, offering updates and phone support, currently for \$175 a month. You must purchase this monthly support from Qu POS System. We will have unrestricted access to your point-of-sale system, and all information stored in that system.

D. Site Selection and Opening.

We anticipate that franchisees will typically open their store 3 to 12 months after they sign a Franchise Agreement. You must obtain our acceptance of your site based on the standards that we will share with you during your training. In evaluating a proposed site, we suggest that you consider population density, demographics, income levels in the vicinity, traffic counts, visibility, shopping center anchor, and other activities nearby, such as proximity to yoga and spin class studios, gyms, parks and to people who consume health food. The factors that affect the time required to open your unit may include your ability to obtain a lease, financing, construction or building permit delays, zoning and local ordinances, weather conditions, shortages, and delayed delivery of equipment. Typically, your location should be between 1,350 and 1,750 square feet and 1,000 to 1,500 square feet for additional locations which are close to your first location. We require that you secure an approved site within 90 days of signing the Franchise Agreement, and that you open your Superfood Cafe within 180 days of signing your lease, unless you receive a written extension of this time from us. (Franchise Agreement - Section 2.6) We can terminate your Franchise Agreement if you do not open within the 180-day period, with no refund of any part of your Initial Franchise Fee. We may consider granting an extension of time if we feel you have acted diligently in working to get your business open.

If you purchase a Multi-Unit Development Agreement you will select a site for your initial unit that we approve, and we will agree on a Development Territory in which your additional units will be built. We will agree on a schedule to build the later units, usually agreeing that a new unit should be built every 6 to 9 months. That development schedule is specified in Exhibit A to the Multi-Unit Development Agreement. We do not typically own your premises and lease them to you.

For each additional unit you seek to open under a Multi-Unit Development Agreement, we will determine the suitability of the proposed site based upon the same general standards we use (which may change) in evaluating any site, outlined above. This will occur when you bring us a proposed lease for our approval.

~~We do not currently know the impact that the COVID-19 virus epidemic will have on the time to open your franchise. However, if your area is subject to a stay-at-home order, or if superfood cafes are or recommended to be closed in your area due to the epidemic, it will impact your time to opening if your leasing, development/construction, training or opening phases are scheduled to take place during those periods of social distancing or restricted operations. And, if you or one of your employees contracts the COVID-19 virus and your staff is subject to quarantine during the pre-opening period, it will most likely increase/delay your time to open.~~

E. Grand Opening.

You must develop and implement a grand opening promotion approved by us for your Superfood Cafe. We will have the right to fully control any and all grand opening promotional efforts. You must spend a minimum of \$2,500 for the grand opening promotion. Part of your grand opening promotion will include obtaining pre and/or post opening coaching by a vendor designated by us and the cost of this coaching will count toward your required grand opening promotion expenditures.

F. Advertising.

We have an Ad Fund; currently we are charging a 1% fee; however, we reserve the right in the future to increase the fee. It will be no more than 2% of Gross Receipts. Such fees shall be used for: advertising in national, regional, or local publications, electronic media, internet, telemarketing, and other marketing methods to promote public awareness of the KALE ME CRAZY® name or services to attract national account business as well as new franchisees. In ~~2021~~2022, we collected ~~\$134,415.46~~ \$155,942.68 in the Ad Fund. We expended ~~\$85,561.61~~ \$158,692.18 in the following approximate proportions: Google Ads (\$22,985.27, 14.5%), Production, Signage and Distribution (~~\$9,287.75 or 10.86~~ \$19,096.17 or 12.0%), Website and SEO Management (~~\$33,600 or 39.27%~~), ~~Social Media Management and .00 or 21.2%~~, Photoshoots (~~\$18,000 or 21.04~~ \$19,081.76 or 12%), Email Administration (~~\$8,410.80 or 9.83~~ \$8,496.00 or 5.4%), Graphic Design (~~\$7,481 or 8.74%~~), ~~Print~~ \$20,668.50 or 13%, Radio Advertisements (\$2,947.66 or 3.45 \$24,325.00 or 15.3%), Local Marketing Reimbursements (\$3,385.50 or 2.1%), Customer Email Marketing (~~\$2,814.89 or 3.29~~ \$2,662 or 1.7%), Accounting Expenses (~~\$2,000.00 or 2.34%~~), ~~Promotional Gift Card (\$549.00 or .64%)~~, ~~Training Video Online Hosting (\$288.97 or .33%)~~, and ~~QR Menu Hosting (\$181.54 or .21%)~~. \$1,800.00 or 1.1%, Influencer Payments (\$1,788.00 or 1.1%), Nutritional Analysis (\$742.50 or .5%), and Bank Charges (\$61.48 or .1%).

0% of the total advertising expenditures was used primarily on solicitation of new franchisees. We ~~expended less money from the Ad Fund than we took in during 2021. We~~ encourage local advertising. We may (and currently do) require you to spend ~~up to~~ .5% of Gross Receipts on local advertising; we may increase this amount on thirty (30) days written notice to you, but it will not exceed 2% of Gross Receipts. (Franchise Agreement - Section 8.2). We are not required to conduct advertising for the franchise system. We do not currently have an advertising advisory council or advertising cooperatives; you may be required to join any cooperative if one is formed in your area and contribute up to 2% of Gross Receipts to the cooperative. (Franchise Agreement Section 8.4).

Although the Agreement does not require us to benefit you with every marketing and advertising program, we expect to focus all marketing and advertising using Ad Fund fees in areas where we have one or more franchisees. We may charge our marketing research, development and production expenses against the Ad Fund fees. We will allow you to conduct marketing and advertising for yourself directly and you may use your own materials, but you must obtain our approval of any such materials in advance. We are not obligated to collect an Ad Fund fee or to conduct any marketing program. We will manage the Ad Fund Fees. Once such fees are collected, we will provide an annual summary report, but only as to the aggregate amount collected and how it was used by general category. (Franchise Agreement – Section 8.3). All Ad Fund fees collected from franchisees will be based on the same percentage. Franchisor or Affiliate owned units will also pay the Ad Fund Fees. Ad Fund Fees which are not used in a particular calendar year will be rolled over into the following year. We will not use any of the Ad Fund Fees to solicit new franchise sales, but advertising may state that franchises are available.

We currently do not have an advertising advisory council (advisory council) made up of franchise owners. We may allow you and your fellow franchisees to form an advisory council. This council will act in an advisory capacity and has the option to elect to institute additional fees to be used for marketing and/or improving the franchise brand. At a time when you and your fellow franchisees form an advisory council, it will be made up of a combination of franchise owners duly elected once per year at the Annual Convention and those appointed by us. If an advisory council is formed, we encourage you to participate. An advisory council would have advisory power when it comes to assessing or instituting additional fees to improve or contribute toward improving the quality of the franchise brand or to modify standards in a way consistent with improving the brand. We have the right to modify or dissolve any advisory council. The council will have input on the placement of national marketing.

We may, and currently do, require you to spend .5% of Gross Receipts on local advertising in addition to any Ad Fund costs.

You may use your own advertising, sales, and marketing materials only after you have submitted a sample of the sales and marketing materials to us and obtained our written approval. If we fail to provide you with a written approval within fifteen (15) days after we receive your sample of advertising, sales and marketing materials, the material will be deemed not approved. However, we reserve the right to require you to discontinue, change or replace any previously approved advertising, sales and marketing materials after a reasonable period of time.

We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by a Cooperative, including, but not limited to, “Franchises Available” and

reference to our telephone number and/or website, as well as to post signage to that effect within your franchised business.

G. Operations Manual.

The Table of Contents of our current Manual is attached as Exhibit G to this disclosure document and is 92 pages.

H. Conferences and Meetings.

Although we are not obligated to do so under the Franchise Agreement, we may hold periodic conferences, management meetings, or refresher courses to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like. Before the COVID-19 pandemic, we held an annual Franchise Meeting in Atlanta, Georgia. These conferences may be held at our corporate/training location or any other place that we may designate and may last 1 or 2 days; currently we do not charge to attend. Currently we hold quarterly virtual meetings. We may reinstate in person annual conferences when we deem it safe to do so. We may charge you a reasonable fee to attend these meetings or conferences, which we expect will not be more than \$500 per person (see Item 6). We may make attendance mandatory. You must pay your own travel and accommodation expenses. (Franchise Agreement Section 6.5).

I. Electronic Funds Transfer.

You must pay all Royalties and Ad Fund fees due under the Franchise Agreement by automated bank draft to ensure we receive payment of all fees and contributions. You must comply with any of our payment instructions, including executing any forms which grant us the right to debit your account on a weekly basis for payment of royalty, management and advertising fees and contributions and other fees and contributions to be paid to us or required by us under the Franchise Agreement. (See Franchise Agreement, Section 4.4).

J. Training.

The training will include information on topics critical to your success as follows:

TRAINING PROGRAM

Subject	Hours of On-the-Job Training	Location
Orientation and Introduction	4	Kale Me Crazy's Headquarters in Atlanta, GA
<u>Juice Preparation</u>	<u>16</u>	<u>Kale Me Crazy's Headquarters in Atlanta, GA</u>
Juice - <u>Smoothie</u> Preparation	24 <u>28</u>	Kale Me Crazy's Headquarters <u>in Atlanta, GA</u>
Smoothie - <u>Food</u> Preparation	24 <u>28</u>	Kale Me Crazy's Headquarters <u>in Atlanta, GA</u>
Food Preparation	24	Kale Me Crazy's Headquarters

Customer Service	12	Kale Me Crazy's Headquarters in Atlanta, GA
Scheduling and Payroll	8	Kale Me Crazy's Headquarters in Atlanta, GA
Inventory Control and Vendor Relationships	8	Kale Me Crazy's Headquarters in Atlanta, GA
Accounting and Reporting	8	Kale Me Crazy's Headquarters in Atlanta, GA
Store Maintenance and Sanitation Guideline	8	Kale Me Crazy's Headquarters in Atlanta, GA
Total	120 Hours	

The cost of this training is included in your Initial Franchise Fee for three persons, but you must pay the travel and living expenses for yourself and your employee(s) for the 15 business days you will spend learning our system. Additional persons will be charged for training at our then-current rate; currently, we charge \$750 per additional trainee. You may also have to pay wages for your employees. Your employees will need to be covered under Worker's Compensation Insurance prior to coming to training. Training occurs at, or near, our headquarters in Atlanta, Georgia. The training work week is based on forty (40) hours per week.

Training will be conducted by Chase Garner, ~~and~~ Liad Shlomo, ~~and Leah Trotter~~. They each have ~~9-10~~ years of experience within the franchise. Mr. Shlomo has been a store manager with one of our affiliates from 2013 to 2020. Please see Item 2 for additional experience related information for Mr. Garner ~~and Ms. Trotter~~. The materials used in training are in the Manual and Policy and Procedures Manual. Training is mandatory for you and your manager. You may send one additional person to our initial training program at no additional charge to you for a total of three people. You and your manager must successfully complete the training program to our satisfaction within the 180-day period within which you are required to open your franchised business. You are not allowed to open the business until the training has been successfully completed. We do not have any required additional training or refresher programs. Training is not conducted on any regular schedule, but on an as-needed basis.

K. Internet/World Wide Web:

No advertising or promotion may be conducted by you over the Internet/worldwide web or through other forms of electronic media, whether within or outside your Franchise Territory, without our express prior written consent, which we can withhold for any or no reason. (See Franchise Agreement, Section 8.7.) This includes any use by you or your employees of any form of social media which references the Marks in any way; you are fully responsible for your employees with regard to social media and the Marks. You and your employees must comply with any social media policies in the Operations Manual. While we do not currently allow franchisees to make

social media posts as a routine matter, we have allowed some franchisees to make their own Instagram posts or pages, subject to limitations we may impose. We reserve the right to change this policy in the future.

Websites (as defined below) are considered as “advertising” under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term “Website” means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to the Kale Me Crazy® Proprietary Marks, us, or the System. The term Website includes Internet and World Wide Web home pages.

In connection with any Website, the Franchise Agreement provides that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our Website. Franchisee shall submit to Franchisor for approval before use, all social media posts and replies including sites such as Facebook, Twitter, Instagram, Snapchat, LinkedIn, Yelp! and other sites. Franchisor in its sole discretion, control or preclude all social media posts. Franchisee understands and agrees that Franchisor’s right of approval for all such materials is necessitated by the fact that they will include and inextricably be linked with the Marks. Franchisee may only use material or postings which Franchisor has approved. Franchisee shall actively monitor its employees and make certain that they comply with these prior approval policies. Franchisees employees shall be prohibited from using the Marks on any social media without Franchisor’s prior written approval.

We will have the right to establish a website or other electronic system providing private and secure communications (e.g., an extranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the extranet that you must acknowledge and/or sign.

You are strictly prohibited from promoting your Superfood Cafe or using the Proprietary Marks in any manner on any social and/or networking Websites, such as Facebook, LinkedIn, TikTok, Instagram and Twitter, without our prior written consent.

While no Franchisees currently utilize customer email marketing, should you chose to use that marketing method, all marketing must be done in a professional manner, through a vendor we have approved. We reserve the right to grant or deny permission for any email campaign, in our sole discretion.

12. TERRITORY

You will initially receive a Designated Area that we will protect for a period of ninety (90) days to enable you to locate a suitable site for your initial store.

The Designated Area also will define the buffer area around your store where no other Kale Me Crazy® Superfood Cafe store will be located. We will not place or allow another Superfood Cafe in your Designated Area. Each territory will differ in size depending on local demographics and population density. We use U.S. Census data to assist in evaluating a territory. Your Designated Area will be defined by zip codes, county or municipal boundaries, geographic or highway boundaries, radius from your store or logical marketing areas. You are authorized to operate only one Kale Me Crazy® Superfood Cafe from a location that we have accepted within your Designated Area as defined in your Franchise Agreement. You may not, unless advertising with other Kale Me Crazy® Franchisees, target customers with direct mail marketing nor advertise in telephone, internet or similar directories that target areas outside your Designated Area nor may you establish mailing addresses for your Kale Me Crazy® Superfood Cafe that would lead others to believe that you offer services outside of your Designated Area. You may however sell catering services to individuals or businesses you already have a direct personal relationship with so long as they do not reside (if they are an individual) or operate their business in the Designated Area of another Kale Me Crazy® Franchisee or Franchisor affiliated location.

We also offer a Multi-Unit Development Agreement, which allows you to open and operate two, three, or four Kale Me Crazy® units. If you enter into such an agreement, you will pay us a non-refundable \$72,500 Initial Franchise Fee for the right to open two units, \$102,900 Initial Franchise Fee for the right to open three units, or \$126,020 for the right to open four units. When you sign a Multi-Unit Development Agreement, we will agree with you on a Development Territory, in which you will build these additional units. A Development Territory will be larger than the Designated Area in which each individual unit will be located.

During the term of your franchise, we in our discretion may allow you to purchase rights to open another Kale Me Crazy® Superfood Cafe store in another territory, if a suitable territory is available; however, we do not offer standard rights of first refusal or similar rights to acquire additional franchises in or near your Designated Area. Unless you enter into a Multi-Unit Development Agreement, for each later unit you develop, you will have to pay the Initial Franchise Fee in effect at the time you purchase that unit. You can only develop additional units if you are in compliance with the terms of all of your franchise agreements with us.

You do not have to generate a minimum level of gross receipts to maintain your Designated Area. There are no circumstances that would allow us to modify your Designated Area. We will approve a relocation of your unit if your site is destroyed or proves unworkable for some reason, so long as your new site is within your Designated Area and meets our usual criteria for a site.

We are not restricted by the Franchise Agreement or otherwise from using other channels of distribution, such as the Internet, catalog sales, telemarketing, grocery stores or other direct marketing sales, to make sales within your territory, whether using the Kale Me Crazy® Marks or any other marks. If we were to make any sales through alternative channels of distribution, you would not be compensated for the sales, unless you provided the goods or services to the customer.

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

13. TRADEMARKS

We grant you the right to operate one Kale Me Crazy® Superfood Cafe within a specific geographic territory. You may also use current and future trademarks and service marks we register to identify your business and its products and services. We currently grant you the rights to use several marks for which the owner, Roi Shlomo has granted us the right to license to our franchisees by way of a written agreement at no charge to us and shown in the table, below. You may also use our slogan “Healthy Habits Start Here”.

Mark	Registration No.	Registration Date	Owner
KALE ME CRAZY	5,021,580	08/16/2016	Roi Shlomo
HEALTHY HABITS START HERE	4,406,111	09/24/2013	Roi Shlomo
KALE ME CRAZY	4,423,074	10/22/2013	Roi Shlomo
BEET UP	5,406,266	02/20/2018	Roi Shlomo
SUPERFOOD KITCHEN	6,041,862	04/28/2020	Roi Shlomo
SO CELERY	5,995,347	02/25/2020	Roi Shlomo

In addition to these Marks, we license you the right to use the slogan or mark WE BELIEVE IN REAL FOOD (“WBIRF”) which is a trademark licensed to Whole Foods Market IP, L.P. We have obtained the rights to sub-license WBIRF through an Agreement dated November 21, 2017 between our founder, Roi Shlomo, and Whole Foods.

We will file all required affidavits to maintain the marks with the U.S. Patent and Trademark Office.

You must follow our rules when you use these Marks. You cannot use our name or Mark as part of your corporate or entity name or with modifying words, designs or symbols except for those which we license to you. You may not use the Kale Me Crazy® registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

Your conduct on the Internet, including without limitation, your use of the Marks on the Internet and in domain names for the Internet, is subject to the provisions of the Franchise Agreement. We reserve the right to establish and modify, from time to time, rules which will govern your conduct and use of the Internet in connection with your Kale Me Crazy® franchised business, and you must agree to abide by such rules. At the present time, only we are permitted to maintain a website

promoting the franchise system or Superfood Cafes. Your rights to use the Marks and our Business System on the Internet will terminate when the Franchise Agreement terminates or expires.

You must follow the Franchise Agreement, the Manual, our specifications, and directives when you use the Mark. The Mark is the only mark you may use to identify the Superfood Cafe. You may not use any Mark as part of any corporate or trade name or as part of any domain name or electronic address you maintain on the Internet, the worldwide web, or any other similar proprietary or common carrier electronic delivery system unless we expressly authorize you to do so in writing. You may not use the Mark in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. Your use of the Mark and any goodwill is to our exclusive benefit and you retain no rights in the Mark other than a license to use the Mark during the terms of the Franchise Agreement. You are not permitted to make any changes of any kind in or to the use of the Mark unless we permit.

You must notify us immediately when you learn about an infringement of or challenge to your use of a Mark. We will take the action we think appropriate. We have the right to exclusively control any litigation, USPTO proceeding, or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any Mark.

You must notify us promptly of any unauthorized use of the Mark of which you have knowledge or of any challenge to the validity of our ownership of or our right to license others to use the Mark. We will take the action, if any, we believe to be appropriate. We have the right, but no obligation, to initiate, direct, and control any litigation or administrative proceeding relating to the Mark, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You must execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Mark. We will defend you against any third-party claim, suit, or demand arising out of your use of the Mark. If we, in our sole discretion, determine that you have used the Mark in accordance with the Franchise Agreement, the cost of such defense and the cost of any judgment or settlement, will be borne by us. If we, in our sole discretion, determine that you have not used the Mark in accordance with the Franchise Agreement, those costs will be borne by you. In the event of any litigation relating to your use of the Mark, you will do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Mark in a manner inconsistent with the terms of the Franchise Agreement or the Manuals, we agree to reimburse you for your out-of-pocket costs in doing such acts.

You must modify or discontinue the use of a service mark or trademark if we modify or discontinue it. If this happens, we will reimburse you for your tangible costs of compliance that have been preapproved by us in excess of \$10,000 (i.e. changing signs). You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

We do not know of any infringing uses that could materially affect your use of the Kale Me Crazy® trade or service mark(s). No agreements limit our right to use or license the use of this trademark.

There are no currently effective material determinations of the Patent and Trademark office, Trademark Trial and Appeal Board, the Trademark Administrator of any State or any court, pending infringement, opposition or cancellation, or pending material litigation involving the principal trademark.

14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You may use the proprietary information in our Manuals described in Item 11. Although we have not filed an application for a copyright registration for the Manuals, we claim a copyright, and the information is proprietary. You are obligated to tell us if you learn about unauthorized use of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

We do not own any patents and there are no applications pending for patent rights material to this franchise.

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

We do not require that you personally supervise the franchised business. The business must be directly supervised, on a day to day basis, by a manager who has successfully completed our training program within 30 days to 60 days of accepting the responsibilities of manager. The manager may not have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in a corporate or partnership-run franchise. The manager must sign a written agreement in a form approved by us to maintain confidentiality of the trade secrets described in Item 14 and to comply with the covenants not to compete described in Item 17.

Upon death or permanent disability (as reasonably determined by an independent third party such as a licensed medical doctor) of any Owner of a controlling interest in Franchisee, you must transfer the controlling interest or franchisee to a member of the Owner's immediate family approved by us, and if not, sell the unit within one year. Upon the death or disability of your trained general manager, a new general manager must be hired and will have 90 days to complete the initial Franchise Training Program.

Each individual who owns a 5% or greater interest in the franchise entity must sign a Guarantee, assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement. (See Addendum D to the Franchise Agreement).

16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those menu items, products and services that we have approved and that you only utilize products approved by us. You are required to offer all the products and services as defined in the Manual. There is no limitation of our right to modify the list of approved products and services that you must provide.

17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the term of the franchise	3.1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier.
b. Renewal or extension of the term	3.2	Agreement may be renewed at your option for an additional 10-year term.
c. Requirements for franchisee to renew or extend	3.2	Within the last 90 days of the term of your Franchise Agreement, we will send you a bill for the renewal fee as well as any documents that you must sign for the renewal, which may include a renewal Franchise Agreement and a release. If you wish to renew your agreement, you must provide us with notice of this election no later than 60 days before your agreement expires. If you do not pay the renewal fee and sign the documents we require, your agreement will not be renewed. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.

Provision	Section in Franchise Agreement	Summary
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with “cause”	17.1.1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. “Cause” defined – curable defaults	17.1.3 and 17.2	We may terminate you for cause if you fail to cure certain defaults, including: if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within five days after notice (or longer period required), fail to obtain signed copies of the confidentiality and non-competition covenants contained in the Franchise Agreement within five days after a request, fail to procure and maintain required insurance within seven days after notice, use the Marks in an unauthorized manner and fail to cure within 24 hours after notice, fail to cure any other default that is susceptible of cure within 30 days after notice.
h. “Cause” defined – defaults which cannot be cured	17.1.2 and 17.1.3	We may terminate you for cause if you fail to cure certain defaults, including: if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, have outstanding judgments against you for over 30 days, sell unauthorized products or services, fail to acquire an accepted location within time required, fail to remodel when required, fail to open Superfood Cafe when required, fail to comply with any term and condition of any sublease or related agreement and have not cured the default within the given cure period, abandon or lose right to the Superfood Cafe premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent or maintain false books or records. In addition, a default under one agreement with us may result in a termination of all of your other

Provision	Section in Franchise Agreement	Summary
		agreements with us. This is known as a cross-default provision.
i. Franchisee's obligations on termination/non-renewal	XVIII	Obligations include: You must stop operating the Superfood Cafe and using the Marks and System and completely de-identify the business, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials, comply with confidentiality requirements, pay liquidated damages, and at our option, sell or assign to us your rights in the Superfood Cafe premises and the equipment and fixtures used in the business.
j. Assignment of contract by Franchisor	14.1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction. However, no assignment will be granted except to an assignee who, in our good faith judgment, is willing and able to assume our obligations.
k. "Transfer" by franchisee – defined	14.2.1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Superfood Cafe or you (if you are not a natural person).
l. Franchisor approval of transfer by franchisee	14.2.2	You must obtain our consent before transferring any interest. We will not unreasonably withhold our consent.
m. Conditions for franchisor approval of transfer	14.2.2	Conditions include: You must pay all amounts due us or our affiliates, not otherwise be in default, sign a general release, and pay a transfer fee. Transferee must meet our criteria, attend training and sign current Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	14.4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions.
o. Franchisor's option to purchase	18.11 and 14.4	Other than the right to purchase assets on termination or non-renewal and the right of first

Provision	Section in Franchise Agreement	Summary
franchisee's business		refusal related to a transfer, we have no right or obligation to purchase your business.
p. Death or disability of franchisee	14.5	If you or a Controlling Principal is a natural person, on death or permanent disability, distributee must be approved by us, or franchise must be transfer to someone approved by us within 12 months after death or within six months after notice of permanent disability.
q. Non-competition covenants during the term of the franchise	10.3.1	You are prohibited from operating or having an interest in a similar business.
r. Non-competition covenants after the franchise is terminated or expires	10.3.2	You and your Controlling Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a similar business within 10 miles of any Superfood Cafe in the System.
s. Modification of the agreement	10.1.5 and 19.2	Franchise Agreement may not be modified unless mutually agreed to in writing. You must comply with our Manual, as it may be amended.
t. Integration/merger clause	19.2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	19.7, 19.8, 19.9, 19.10 and 19.11	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated and arbitrated in Georgia.
v. Choice of forum	19.8	Fulton County, Georgia (see Disclosure Document Addendum and State Amendments to Agreements).
w. Choice of Law	19.8	The Franchise Agreement is to be interpreted, governed and construed under Georgia law (see

Provision	Section in Franchise Agreement	Summary
		Disclosure Document Addendum and State Amendments to Agreement).

THE MULTI-UNIT OPERATOR RELATIONSHIP

Provision	Section in Multi-Unit Operator Agreement	Summary
a. Term of the Multi-Unit Operator Agreement	VI	Length of the Development Schedule
b. Renewal or extension of the term	V	After all Superfood Cafes have been developed, we will negotiate in good faith another Multi-Unit Operator Agreement.
c. Requirements for you to renew or extend	Not applicable	
d. Termination by you	Not applicable	The Agreement does not provide for this, but you may seek to terminate on any grounds available to you at law.
e. Termination by us without cause	Not applicable	
f. Termination by us with cause	IX	We can terminate if you commit any one of several listed violations
g. "Cause" defined – defaults which can be cured	IX	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Superfood Cafe before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Superfood Cafe before a

		Franchise Agreement for that Superfood Cafe has been signed.
h. "Cause" defined – defaults which cannot be cured	IX	Failure to meet your development schedule; failure to comply with applicable laws; if all of your Superfood Cafes stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision).
i. Your obligations on termination/non-renewal	X	You must stop selecting sites for Superfood Cafes, and you may not open any more Superfood Cafes.
j. Assignment of contract by us	XI	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Operator Agreement.
k. "Transfer" by you – definition	XI	Includes transfer of any interest in the Multi-Unit Operator Agreement.
l. Our approval of transfer by you	XI	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for our approval of transfer	XI	Conditions for transfer include not being in default, at least 25% of all Superfood Cafes required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Operators, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations.

n. Our right of first refusal to acquire your business	XI	We have the right to match the offer to purchase your Business.
o. Our option to purchase your business	Not applicable	
p. Your death or disability	XI	Interest must be transferred to an approved party within 12 months.
q. Non-competition covenants during the term of the franchise	XII	Can't divert business or operate a competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	XII	No competing business for two years and within 10 miles of any Superfood Cafe in the System.
s. Modification of the agreement	XVIII	No modifications except by mutual agreement of the parties.
t. Integration/merger clause	XVIII	Only the terms of the Multi-Unit Operator Agreement are binding (subject to state law). Nothing in the Multi-Unit Operator Agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	XIX	Except for certain claims, all disputes must be mediated and arbitrated in Georgia (subject to state law).
v. Choice of forum	XIX	Fulton County, Georgia (subject to state law).
w. Choice of law	XVIII	Georgia applies (subject to state law).

18. PUBLIC FIGURES

We do not use any celebrities or public figures to promote our franchise to the public at large or to those considering purchasing our franchises.

19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Except as set forth below, we do not furnish nor authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, income or profits of a Kale Me Crazy® franchise.

The information below is based upon the historic performance of both our affiliate stores and franchised units.

Caution: These figures reflect historic sales revenues during the calendar year ended December 31, ~~2021~~2022. For 2022, this reflects all stores open for the entire 2022 year, both franchised and company owned. This includes 21 franchised stores and 2 company stores (out of 24 in our system) that were open more than one year as of December 31, 2022. For 2021, this reflects all stores open more than one year, both franchised and company owned. This includes 20 franchised stores and 2 company stores (out of 24 in our system) that were open more than one year as of December 31, 2021. For 2020, this reflects all stores open more than one year, both franchised and company owned. This includes 18 franchised stores and 3 company stores (out of a total of 23 in our system) that were open more than one year as of December 31, 2020, ~~and 15 franchised stores and 3 company stores (out of a total of 21 in our system) that were open more than one year as of December 31, 2019.~~

The data in this Item 19 includes the entire calendar year 2021. The COVID-19 pandemic struck the United States early in 2020. This data, particularly with respect to 2020, reflects the impact of the COVID-19 pandemic, periods of government mandated shutdowns which varied by jurisdiction and location, and periods when units were opened or re-opened, sometimes with restrictions on indoor dining or limited to take-out or delivery only, again depending on the location. The impacts of the COVID-19 pandemic include the need for: social distancing, greater sanitization procedures; governmental orders or recommendations for all or certain types of persons to stay at home; infected persons to be subject to quarantine; certain industries like restaurants, food service establishments and other places where groups of people congregate, to temporarily or indefinitely suspend or modify operations; and the like.

~~2021~~ Gross Receipts for Corporate Outlets for Calendar Year ~~2021~~2022

Corporate Locations	Total 2021 <u>2022</u> Gross Receipts
Buckhead	\$1,292,265.86 <u>\$1,441,458.94</u>
Toco Hills*	\$667,770.17 <u>\$899,267.52</u>
Average Gross Receipts (Corporate)	\$980,018.02 <u>\$1,170,363.23</u>
Median Gross Receipts (Corporate)	\$980,018.02 <u>\$1,170,363.23</u>

*Toco Hills revenue amounts include wholesale juicing revenues for juice sales to other Kale Me Crazy® stores.

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

~~In 2021~~In 2022, the average gross receipts for ~~2~~two company-owned superfood cafes were ~~\$980,018.02~~\$1,170,363.23. Of the ~~2~~two company-owned superfood cafes, ~~1~~one had average gross receipts above the mean and one had average gross receipts below the mean. Kale Me Crazy® Buckhead had the highest receipts at \$1,441,458.94 while Kale Me Crazy® Toco Hills had the lowest receipts at \$899,267.52. Median gross receipts were \$1,170,363.23. One unit was above the median and one unit was below the median.

~~1~~**Gross Receipts for Corporate Outlets for Calendar Year 2021**

<u>Corporate Locations</u>	<u>Total 2021 Gross Receipts</u>
<u>Buckhead</u>	<u>\$1,292,265.86</u>
<u>Toco Hills*</u>	<u>\$667,770.17</u>
<u>Average Gross Receipts (Corporate)</u>	<u>\$980,018.02</u>
<u>Median Gross Receipts (Corporate)</u>	<u>\$980,018.02</u>

*Toco Hills revenue amounts include wholesale juicing revenues for juice sales to other Kale Me Crazy® stores.

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

In 2021, the average gross receipts for two company-owned superfood cafes were \$980,018.02. Of the two company-owned superfood cafes, one had average gross receipts above the mean and one had average gross receipts below the mean. Kale Me Crazy® Buckhead had the highest receipts at \$1,292,265.86, while Kale Me Crazy® Toco Hills had the lowest receipts at \$667,770.17. Median gross receipts were \$980,018.02. One unit was above the median and one unit was below the median.

~~2020~~**Gross Receipts for Corporate Outlets for Calendar Year 2020**

Corporate Locations	Total 2020 Gross Receipts
Buckhead	\$1,036,478.68

Decatur*	\$689,048.94
Inman Park**	\$569,450.13
Average Gross Receipts (Corporate)	\$764,992.58
Median Gross Receipts (Corporate)	\$689,048.94

*Decatur revenue amounts include wholesale juicing revenues for juice sales to other Kale Me Crazy® stores.

** Inman Park was sold and became a franchised outlet in late December 2020, so we have included it as a corporate outlet for 2020.

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

In 2020, the average gross receipts for ~~3~~three company-owned superfood cafes were \$764,992.58. Of the ~~3~~three company-owned superfood cafes, ~~1~~one had average gross receipts above the mean and ~~2~~two had average gross receipts below the mean. Kale Me Crazy® Buckhead had the highest receipts at \$1,036,478.68, while Kale Me Crazy® Inman Park had the lowest receipts at \$569,450.13. Median gross receipts were \$689,048.94. One unit was above the median, one unit was the median, and one unit was below the median.

~~2019~~Gross Receipts for ~~Corporate Outlets~~Franchised Units for Calendar Year ~~2019~~2022

	<u>Average Gross Receipts</u>	<u>Median Receipts</u>	<u>High Gross Receipts</u>	<u>Low Gross Receipts</u>
<u>1st Quartile</u>	<u>\$836,203.14</u>	<u>\$862,283.88</u>	<u>\$926,975.96</u>	<u>\$740,245.19</u>
<u>2nd Quartile</u>	<u>\$695,469.34</u>	<u>\$697,339.87</u>	<u>\$717,155.96</u>	<u>\$664,928.17</u>
<u>3rd Quartile</u>	<u>\$573,162.66</u>	<u>\$581,343.09</u>	<u>\$649,945.39</u>	<u>\$472,414.59</u>
<u>4th Quartile¹</u>	<u>\$391,524.21</u>	<u>\$400,094.39</u>	<u>\$454,949.05</u>	<u>\$303,679.54</u>

Corporate Locations	Total 2019 Gross Receipts
Buckhead	\$1,182,466.49
Decatur*	\$844,739.47
Inman Park	\$631,334.17
Average Gross Receipts (Corporate)	\$886,180.04
Median Gross Receipts (Corporate)	\$844,739.47

~~*Decatur revenue amounts include wholesale juicing revenues for juice sales to other Kale Me Crazy® stores.~~

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

~~In 2019, 1st Quartile includes five units, with three of the units above the average gross receipts for the three company-owned superfood cafes were \$886,180.04.~~and two of the units below the average gross receipts.

2nd Quartile includes five units, with three of the units above the average gross receipts and two of the units below the average gross receipts.

3rd Quartile includes five units, with four of the units above the average gross receipts and one of the units below the average gross receipts.

4th Quartile includes six units, with three units above the average gross receipts and three of the units below the average gross receipts.

~~Of the three company-owned superfood cafes, one had average gross receipts above the mean and two had average gross receipts below the mean. Kale Me Crazy[®]-Buckhead had the highest gross receipts at \$1,182,466.49 while Kale Me Crazy[®]-Inman Park had the lowest gross receipts at \$631,334.17. Median gross receipts were \$844,739.47. One unit was above the median, one unit was the median and one unit was below the median.~~

Gross Receipts for Franchised Units for Calendar Year 2021

	Average Gross Receipts	Median Receipts	High Gross Receipts	Low Gross Receipts
1st Quartile	\$789,508.06	\$785,800.38	\$828,317.53	\$748,650.07
2nd Quartile	\$640,589.11	\$645,465.42	\$713,601.81	\$540,787.58
3rd Quartile	\$497,464.63	\$488,682.76	\$520,967.58	\$476,450.99
4th Quartile¹	\$402,565.27	\$418,567.89	\$460,739.70	\$338,307.14

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

1st Quartile includes five units, with two of those units above the average gross receipts and three of the units below the average gross receipts.

2nd Quartile includes five units, with three of the units above the average gross receipts and two of the units below the average gross receipts.

3rd Quartile includes five units, with two of the units above the average gross receipts and three of the units below the average gross receipts.

4th Quartile includes five units, with three units above the average gross receipts and two of the units below the average gross receipts.

Gross Receipts for Franchised Units for Calendar Year 2020

	Average Gross Receipts	Median Receipts	High Gross Receipts	Low Gross Receipts
1st Quartile	\$602,189.77	\$580,433.42	\$685,560.97	\$562,331.28
2nd Quartile	\$427,402.20	\$425,824.45	\$469,380.37	\$399,732.74
3rd Quartile	\$358,946.21	\$357,617.47	\$382,855.55	\$337,694.34
4th Quartile¹	\$286,700.62	\$308,387.18	\$322,409.98	\$208,898.09

“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.

1st Quartile includes four units, with two of the units above the average gross receipts and two of the units below the average gross receipts.

2nd Quartile includes five units, with two of the units above the average gross receipts and three of the units below the average gross receipts.

3rd Quartile includes four units, with two of the units above the average gross receipts and two of the units below the average gross receipts.

4th Quartile includes five units, with three of the units above the average gross receipts and two of the units below the average gross receipts.

Gross Receipts for Franchised Units for Calendar Year 2019

	Average Gross Receipts	Median Receipts	High Gross Receipts	Low Gross Receipts
1st Quartile	\$718,214.18	\$731,252.32	\$763,069.88	\$647,282.18
2nd Quartile	\$544,470.07	\$529,605.80	\$647,282.18	\$471,386.50
3rd Quartile	\$421,550.43	\$417,813.34	\$465,147.09	\$385,427.97
4th Quartile¹	\$343,272.35	\$344,530.78	\$357,109.07	\$328,177.19

~~“Gross Receipts” for purposes of this financial performance representation, means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes.~~

~~1st Quartile includes four units, with two of the units above the average gross receipts and two of the units below the average gross receipts.~~

~~2nd Quartile includes four units, with two of the units above the average gross receipts and two of the units below the average gross receipts.~~

~~3rd Quartile includes four units, with two of the units above the average gross receipts and two of the units below the average gross receipts.~~

~~4th Quartile includes three units, with two units above the average gross receipts and one of the units below the average gross receipts.~~

The financial performance representations figure(s) does (do) not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. Gross revenues or gross sales means all revenues less customer returns or refunds and excluding sales or similar governmentally imposed taxes. 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 offering circular, may be one source of this information.

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

Other than the preceding financial performance representation, Kale Me Crazy Franchising Inc. does not make any financial representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Roi Shlomo at 3167 Peachtree Rd., Suite F, Atlanta, GA 30305, (678) 654-8737, the Federal Trade Commission, and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
System-wide Outlet Summary For Years ~~2019 to 2021~~ 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019 <u>2020</u>	14 <u>18</u>	18 <u>20</u>	+4 <u>+2</u>
	2020	18	20	+2

	2021	20	22 <u>21</u>	+ 2 <u>1</u>
	<u>2022</u>	<u>21</u>	<u>22</u>	<u>+1</u>
Company-Owned*	2019 <u>2020</u>	3	3	0
	2020	3	3	0
	2021	3	2 <u>3</u>	+1 <u>0</u>
	<u>2022</u>	<u>3</u>	<u>2</u>	<u>-1</u>
Total Outlets	2019 <u>2020</u>	17 <u>21</u>	21 <u>23</u>	+ 4 <u>2</u>
	2020	21	23	+2
	2021	23	24	+1
	<u>2022</u>	<u>24</u>	<u>24</u>	<u>0</u>

*This includes our affiliate owned unit in the Buckhead neighborhood of Atlanta, GA. This unit pays royalties to us even though it is an affiliate.

TABLE NO. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2019 to 2021~~ 2020 to 2022

State	Year	Number of Transfers
Alabama	2019 <u>2020</u>	0
	2020	0
	2021	1
	<u>2022</u>	<u>0</u>
Georgia	2019 <u>2020</u>	0 <u>1</u>
	2020	1
	2021	4
	<u>2022</u>	<u>2</u>
North Carolina	2019 <u>2020</u>	0
	2020	0
	2021	1
	<u>2022</u>	<u>0</u>
Total	2019 <u>2020</u>	0 <u>1</u>
	2020	1
	2021	6
	<u>2022</u>	<u>2</u>

TABLE NO.3

Status of Franchised Outlets for Years ~~2019 to 2021~~ 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2019	1	0	0	0	0	1	
AL	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2019 <u>2022</u>	1	0	0	0	0	0	1
<u>CO</u>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2019 <u>2022</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
<u>FL</u>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2019 <u>2022</u>	8 <u>1</u>	4 <u>1</u>	0	0	0	0 <u>1</u>	12 <u>1</u>
<u>GA</u> MS	2020	12	1	0	0	0	0	13
	2021	13	2 <u>1</u>	0	0	1	0	14 <u>13</u>
	2019 <u>2022</u>	1 <u>13</u>	0 <u>1</u>	0	0	0	0	1 <u>14</u>
<u>MS</u>	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2019 <u>2022</u>	3 <u>1</u>	0	0	0	0	1 <u>0</u>	2 <u>1</u>
<u>NC</u>	2020	2	0	0	0	0	0	2

	2021	2	0	0	0	0	0	2
	2019 2022	0 2	0	0	0	0	0	0 2
TX	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2019 2022	1 42	5 0	0	0	0	1 0	1 82
Total	2020	18	2	0	0	0	0	20
	2021	20	3 2	0	0	1	0	22 21
	2022	21	2	0	0	0	1	22

TABLE NO. 4

Status of Company-Owned Outlets for Years ~~2019 to 2021~~2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2019 2020	0	0 1	0	0	0	0 1
	2020	0	1	0	0	0	1
	2021	1	0	0	1	0	0
	2019 2022	3 0	0	0	0	0	3 0
Georgia Totals	2020	3	0	0	0	1	2
	2021	2	0	1	0	1 0	2 3
	2019 2022	3	0	0	0	0 1	3 2
Totals	2020	3	1	0	0	1	3
	2021	3	0	1	1	1 0	2 3
	2022	3	0	0	0	1	2

TABLE NO. 5

Projected Openings as of December 31, ~~2021~~2022

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	2 1	0
California	1	1	1
Florida	1	1	0
Georgia	0	3 2	0
Texas	2	2	0
Totals	5 2	9 4	1

See Exhibit B for a complete list of all of our Franchisees as of December 31, ~~2021~~2022. As of December 31, ~~2021~~2022, there were no franchisees whose franchise was, within the twelve-month period immediately preceding the date of this Disclosure Document, terminated, canceled, not renewed or, who has, during the same time period, otherwise involuntarily ceased to do business pursuant to the Franchise Agreement, nor has any franchisee failed to communicate with us within the ten weeks prior to the date of application of this registration.

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

During the last three fiscal years, we have not signed any confidentiality clauses with any current or former ~~licensees or~~ franchisees which would in any way restrict their ability to speak with you openly about their experience with Kale Me Crazy® Franchises.

There are no trademark specific franchisee organizations associated with the franchise system, nor are there any independent franchisee organizations that have asked to be included in this disclosure document.

21. FINANCIAL STATEMENTS

The company's unaudited Balance Sheet, Statement of Operations and Statement of Cash Flows as of February 28, 2023, ~~unaudited Profit and Loss Statement and Balance Sheet as of April 30, 2022~~, its audited Balance Sheet, Statement of Operations and Statement of Cash Flows as of December 31, ~~2021~~2022, its audited Balance Sheet, Statement of Operations and Statement of Cash Flows as of December 31, ~~2020~~2021, and its audited Balance Sheet, Statement of Operations and Statement of Cash Flows as of December 31, ~~2019~~2020, are attached hereto as Exhibit A.

22. CONTRACTS

Attached hereto are the following documents associated with this franchise offering:

EXHIBIT E – Franchise Agreement

ATTACHMENTS

- A - Accepted Location and Territory
- B - Conditional Assignment and Assumption of Lease
- C - Statement of Ownership Interests and Franchisee's Principals
- D - Confidentiality and Non-Competition Agreement
- E - Electronic Transfer Authorization
- F - Internet Websites and Listings Agreement; Telephone Listing Agreement
- G - Power of Attorney (Tax)
- H - State Specific Addenda
- I - Transfer of a Franchise to a Corporation or Limited Liability Company

EXHIBIT F --Multi-Unit Development Agreement

ATTACHMENTS:

- "A" Certification by Multi-Unit Operator
- "B" Guaranty
- "C" Transfer of a Franchise to a Corporation or Limited Liability Company

EXHIBITS:

- "A" Minimum Performance Schedule
- "B" Exclusive Area
- "C" Existing Superfood Cafes in Exclusive Area
- "D" State Specific Addenda

23. RECEIPT

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

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

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04/19/23

Accrual Basis

Kale Me Crazy Franchising, Inc.
Profit & Loss
January through February 2023

	Jan - Feb 23
Ordinary Income/Expense	
Income	
Vendor Referral Income	403.99
Franchise Fees Income	13,400.00
Royalty Income	136,822.09
Marketing Income	8,327.79
Total Income	158,953.87
Cost of Goods Sold	
Franchise Marketing Expense	11,476.37
Legal Expense	5,000.00
Total COGS	16,476.37
Gross Profit	142,477.50
Expense	
General and Administrative	25,661.81
Salaries and Employment Taxes	51,514.40
Travel/Meals and Auto Expense	22,392.37
Total Expense	99,568.58
Net Ordinary Income	42,908.92
Net Income	42,908.92

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04/19/23

Accrual Basis

Kale Me Crazy Franchising, Inc.

Balance Sheet

As of February 28, 2023

	Feb 28, 23
ASSETS	
Current Assets	
Checking/Savings	171,995.89
Other Current Assets	184,277.38
Total Current Assets	356,273.27
TOTAL ASSETS	356,273.27
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	561,947.68
Total Liabilities	561,947.68
Equity	-205,674.41
TOTAL LIABILITIES & EQUITY	356,273.27

**KALE ME CRAZY FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

KALE ME CRAZY FRANCHISING, INC.
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MONIS J. SIDDIQUI, CPA P.C.
Certified Public Accountant
917.309.5670

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Kale Me Crazy Franchising, Inc.

Opinion

We have audited the financial statements of Kale Me Crazy Franchising, Inc., which comprises the balance sheets as of December 31, 2022, and 2021, and the related statement of operations, and changes in shareholder's (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Kale Me Crazy Franchising, Inc. as of December 31, 2022, and 2021. and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kale Me Crazy Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kale Me Crazy Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Monis Siddiqui, CPA P.C.
Bellerose, NY
March 7, 2023

**KALE ME CRAZY FRANCHISING, INC.
BALANCE SHEETS**

	<u>ASSETS</u>	
	<u>DECEMBER 31</u>	
	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 171,524	\$ 101,820
Accounts receivable	13,669	12,976
Rebate receivable	-	2,301
Due from related party	3,952	19,318
Deferred commissions	30,101	30,101
Total Current Assets	219,246	166,516
Deferred commissions, net of current	127,118	157,219
Total Assets	\$ 346,364	\$ 323,735
 <u>LIABILITIES AND SHAREHOLDER'S (DEFICIT)</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 43,576	\$ 100,893
Marketing fund payable	24,624	48,694
Gift card payable	112,394	13,251
Deferred franchise fees, current	72,203	79,803
Total Current Liabilities	252,797	242,641
Deferred franchise fees, net of current	287,087	359,288
Shareholder's (Deficit)	(193,520)	(278,194)
Total Liabilities and Shareholder's (Deficit)	\$ 346,364	\$ 323,735

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND SHAREHOLDER'S (DEFICIT)

	YEARS ENDING DECEMBER 31	
	2022	2021
Revenue		
Royalties	\$ 935,657	\$ 738,527
Franchise fees	83,902	75,403
Marketing income	155,942	86,121
Rebate revenue	28,905	28,036
Other income	2,599	600
Total Revenue	1,207,005	928,687
Operating Expenses	863,366	763,958
Income from Operations	343,639	164,729
Gain on Sale of Fixed Asset	-	5,624
Net Income	343,639	170,353
Shareholder's (Deficit) - Beginning	(278,194)	(272,869)
Shareholder's (Distributions)	(258,965)	(175,678)
Shareholder's (Deficit) - Ending	\$ (193,520)	\$ (278,194)

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF CASH FLOWS

	YEARS ENDING DECEMBER 31	
	2022	2021
Cash Flows from Operating Activities:		
Net Income from Operations	\$ 343,639	\$ 164,729
Depreciation	-	4,177
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(693)	(5,563)
Rebate receivable	2,301	(2,301)
Due from related party	15,366	(19,318)
Prepaid commissions	30,101	26,760
Accounts payable and accrued expenses	(57,317)	67,697
Marketing fund payable	(24,070)	48,694
Gift card payable	99,143	(402)
Loan payable	-	(15,000)
Deferred franchise fees	(79,801)	(31,804)
	<u>328,669</u>	<u>237,669</u>
Cash Flows from Financing Activities:		
Proceeds from sale of fixed asset	-	85,000
Fixed asset financing (payments)	-	(74,241)
	<u>-</u>	<u>38,664</u>
Cash Flows from Investing Activities:		
Shareholder's (distributions)	(258,965)	(175,678)
	<u>(258,965)</u>	<u>(175,678)</u>
Net Increase (Decrease) in Cash	69,704	72,750
Cash - Beginning of Year	101,820	29,070
Cash - End of Year	<u>\$ 171,524</u>	<u>\$ 101,820</u>

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Kale Me Crazy Franchising, Inc ("the Company") is a Georgia Corporation that was formed in July 2015 to offer franchises the opportunity to operate a superfoods cafe offering organic beverages, salads and wraps utilizing the system created by Kale Me Crazy Franchising, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a superfoods cafe using the Kale me Crazy system and name for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commission paid for franchises are amortized over the life of the franchise agreement. The Company adopted ASC-606 and ASU 2021-02 using the modified retrospective method beginning January 1, 2019.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

4. DEFERRED FRANCHISE FEES AND DEFERRED COMMISSIONS

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2022, and 2021, were \$359,290 and \$439,091, respectively. The commissions paid but not expensed as of December 31, 2022, and 2021, were \$157,219 and \$187,320, respectively.

5. MARKETING FUNDS

The Company's franchise agreement allows for collection of marketing fees, whose proceeds are restricted to brand name and franchise advertising. Any unused funds, carryforward to subsequent periods. Marketing funds collected for the years ending December 31, 2022, and 2021, were \$155,942 and \$134,815, respectively. Advertising expenditures for the years ending December 31, 2022, and 2021 were \$180,014 and \$86,121, respectively. At December 31, 2022, and 2021, the marketing fund payable totaled \$24,624 and \$48,694, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is five years. Expenditures for repairs and maintenance are charged to expense as incurred.

Property and equipment consist of an SUV acquired in October 2019 in the amount of \$111,402. Depreciation expense for the year ended December 31, 2022, and 2021, was \$0 and \$4,177, respectively. During February 2021 the Company sold the vehicle for \$85,000 and recorded a gain on the sale of \$5,624. The book value at the time of the sales was \$79,376.

7. THE PAYCHECK PROTECTION PROGRAM

During the second quarter of 2020 the Company received an unsecured loan in the amount of \$53,950 under the Paycheck Protection Program (the "PPP") which was established under the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"). Under the CARES Act loan forgiveness is available for the sum of documented payroll costs, covered rent payments and covered utilities during the measurement period beginning on the date of first disbursement of the PPP Loans.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for-profit entity. The Company determined it most appropriate to account for the PPP loan proceeds as an in-substance government grant because it has received forgiveness of the debt in January 2021. The Company has elected to recognize government grant income separately within other income to present a clear distinction in its financial statements between its operating income and the amount of net income resulting from the PPP loan and subsequent forgiveness.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

8. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through March 7, 2023 the at which the financial statements were available to be issued.

~~THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.~~

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06/02/22
Accrual Basis

Kale Me Crazy Franchising, Inc.
Profit & Loss
January through April 2022

	Jan - Apr 22
Ordinary Income/Expense	
Income	
Vendor Referral Income	6,892.54
Franchise Fees Income	
Franchise Fee - Vinings	1,700.00
Franchise Fee - Roswell	2,400.00
Total Franchise Fees Income	4,100.00
Royalty Income	
Royalty Income - Tampa Midtown	2,038.61
Royalty Income - Aria Village	5,920.76
Royalty Income - Houston Height	7,083.45
Royalty Income - Decatur	12,485.85
Royalty Income - Alpharetta	11,545.79
Royalty Income - Roswell	12,395.75
Royalty Income - Austin	7,382.88
Royalty Income - Homewood	11,213.75
Royalty Income - Brookhaven	15,704.00
Royalty Income - Miami	8,535.31
Royalty Income - Cameron Villag	11,363.06
Royalty Income - Denver	6,735.19
Royalty Income - East Cobb	8,621.72
Royalty Income - Midtown	16,670.19
Royalty Income - Sandy Springs	16,697.07
Royalty Income - Grant Park	13,126.20
Royalty Income - West Cobb	11,026.07
Royalty Income - Inman	13,897.84
Royalty Income - Ridgeland	8,735.86
Royalty Income - Smyrna	12,747.25
Royalty Income - Toco Hills	11,342.30
Royalty Income - VA Highland	8,043.41
Royalty Income - Vinings	12,784.84
Royalty Income - Wilmington	9,617.41
Royalty Income - Buckhead	25,527.65
Total Royalty Income	281,242.21
Marketing Income	
Marketing Income - Tampa Midtow	339.77
Marketing Income - Aria Village	986.82
Marketing Income - Houston Heig	1,180.59
Marketing Income - Alpharetta	1,924.29
Marketing Income - Roswell	2,065.96
Marketing Income - Austin	1,230.49
Marketing Income - Homewood	1,868.96
Marketing Income - Brookhaven	2,617.32
Marketing Income - Miami	1,422.55
Marketing Income - Cameron Vill	1,893.83
Marketing Income - Denver	1,122.51
Marketing Income - East Cobb	1,436.96
Marketing Income - Midtown	2,778.36
Marketing Income - Sandy Spring	2,782.84
Marketing Income - Grant Park	2,187.71
Marketing Income - West Cobb	1,837.66
Marketing Income - Inman Park	2,316.29
Marketing Income - Ridgeland	1,455.98
Marketing Income - Smyrna	2,124.55
Marketing Income - Toco Hills	1,890.39
Marketing Income - VA Highland	1,340.55
Marketing Income - Vinings	2,130.84
Marketing Income - Wilmington	1,602.91
Marketing Income - Buckhead	4,254.64
Marketing Income - Decatur	2,080.99
Less Local Marketing non-Atl St	-1,500.00
Less Marketing/Influencer	-1,788.00
Less Radio Marketing	-24,325.00

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06/02/22

Accrual Basis

Kale Me Crazy Franchising, Inc.

Profit & Loss

January through April 2022

	Jan - Apr 22
Less Food Costs	-622.00
Less Email System	-2,832.00
Less Print Ads	-199.98
Less Marketing Supplies	-44.20
Less Software Expense	-432.00
Less Blogger Costs	-265.50
Less Website Exp/Design	-11,200.00
Less Promo Gift CardsBlogger Co	-100.00
Less Email Marketing	-1,167.00
Less Social Media Mgt.	-6,000.00
Less Photography/Photo Shoots	-1,020.00
Less Signs/Design	-6,196.19
Less Design/Art	-3,012.50
Total Marketing Income	-13,830.61
Total Income	278,404.14
Cost of Goods Sold	
Franchise Marketing Expense	3,600.00
Legal Expense	10,112.50
Total COGS	13,712.50
Gross Profit	264,691.64
Expense	
General and Administrative	
Store Technology Concessions	159.06
Political Contributions - Non d	1,000.00
Franchise Inspections	438.92
Publications	31.38
Office Furnishings	511.82
Credit Card Annual Fees	250.00
Electric Utility	239.86
Workers' Comp Insurance	2,602.80
Store Supplies	-1,505.39
Health Insurance	5,932.03
Wire Transfer Charges	15.00
Product Development	24.66
Repairs and Maintenance	705.41
Internet Service	535.84
Telephone Expense	607.88
Promotional and Gifts	12.17
Bank Service Charges	814.75
Charitable Donations	11,084.60
Graphic Design	1,275.00
Office Supplies	419.97
Postage Expense	185.03
Payroll Processing Fees	1,067.50
Photography	425.00
Website Expense	39.50
Software Expense	1,211.88
Corporate Registration	100.00
Finance Charges - Credit Card	26.73
Misc. Other Expenses	0.12
Total General and Administrative	28,211.52
Salaries and Employment Taxes	
Salaries Expense	107,210.71
Social Security Taxes	6,647.02
Medicare Taxes	1,554.48
Employer's FUTA Expense	202.92
Employer's SUTA Expense	17.58
Total Salaries and Employment Taxes	115,632.71

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06/02/22

Accrual Basis

Kale Me Crazy Franchising, Inc.

Profit & Loss

January through April 2022

	Jan - Apr 22
Travel/Meals and Auto Expense	
Tolls	36.30
Emissions Inspections	25.00
Travel Insurance	189.84
Auto Lease - 4Runner	3,100.96
Auto Insurance	992.98
Gasoline	452.14
Fuel for Rental Cars	558.56
Car Rental	3,002.43
Car Wash Expense	60.00
Auto Repair/Maint.	1,443.07
Parking	596.00
Towing Service	399.00
Meals and Entertainment	14,271.29
Lodging Expense	10,499.90
Flights/Airfare	10,378.76
Taxi and Local Transportaion	810.33
Total Travel/Meals and Auto Expense	46,816.56
Total Expense	190,660.79
Net Ordinary Income	74,030.85
Net Income	74,030.85

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06/02/22
Accrual Basis

Kale Me Crazy Franchising, Inc.
Balance Sheet
As of April 30, 2022

	Apr 30, 22
ASSETS	
Current Assets	
Checking/Savings	
BB&T Operating Acct. (#...2592)	76,569.46
BB&T Marketing Acct. (#...4226)	42,610.48
BB&T Gift Card Acct (#...748)	8,148.37
Total Checking/Savings	127,328.31
Other Current Assets	
Due from Roi Shlomo	19,317.52
Prepaid Commissions	
Prepaid Commission - Sandy Spri	9,396.16
Prepaid Commission - Roswell	9,534.25
Prepaid Commission - Raleigh	3,384.11
Prepaid Commission - Denver	5,970.41
Prepaid Commission - East Cobb	7,569.86
Prepaid Commission - Ridg MS I	6,312.33
Prepaid Commission - Wilmington	6,999.45
Prepaid Commission - Homewood	4,994.49
Prepaid Commission - Austin	22,342.47
Prepaid Commission - Alpharetta	9,953.42
Prepaid Commission - Smyrna	10,154.79
Prepaid Commission - Dallas	10,241.10
Prepaid Commission - Houston	38,124.86
Prepaid Commission - Tampa	39,304.93
Prepaid Commission - Hoover	3,040.00
Total Prepaid Commissions	187,322.63
Total Other Current Assets	206,640.15
Total Current Assets	333,968.46
TOTAL ASSETS	333,968.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Capital One Card #...1865	27,259.24
Capital One Card #...9710 (9588)	10,632.98
Total Credit Cards	37,892.22
Other Current Liabilities	
Marketing Fund Payable	48,695.85
Covid Donations Payable	2,433.32
Accrued Salaries/Payroll Taxes	4,254.05
Accrued Accounting/Audit	9,600.00
Deferred Franchise Fees	
Deferred Fees - Hoover	7,600.00
Deferred Fees - Midtown	6,343.70
Deferred Fees - Brookhaven	12,107.84
Deferred Fees - Sandy Springs	12,684.32
Deferred Fees - VA Highland	17,461.45
Deferred Fees - Roswell	12,871.23
Deferred Fees - Raleigh	3,497.09
Deferred Fees - Denver	16,120.11
Deferred Fees - East Cobb	14,332.27
Deferred Fees - Mississippi	17,043.29
Deferred Fees - West Cobb	17,078.79
Deferred Fees - Grant Park	18,825.37
Deferred Fees - Wilmington NC	18,898.52
Deferred Fees - Birmingham	29,101.23
Deferred Fees - Vinings	7,732.16
Deferred Fees - Toco Hills	20,593.97
Deferred Fees - Austin	20,682.74

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06/02/22
Accrual Basis

Kale Me Crazy Franchising, Inc.
Balance Sheet
As of April 30, 2022

	Apr 30, 22
Deferred Fees - Alpharetta	18,845.15
Deferred Fees - Smyrna	26,434.36
Deferred Fees - Dallas, TX	22,120.77
Deferred Fees - Miami	18,187.23
Deferred Fees - Houston	47,812.63
Deferred Fees - Tampa	50,017.45
Deferred Fees - Perimeter	2,700.00
Total Deferred Franchise Fees	439,091.67
Gift Card Liability	13,191.37
Total Other Current Liabilities	517,266.26
Total Current Liabilities	555,158.48
Total Liabilities	555,158.48
Equity	
Dividends - 2022	-69,244.60
Dividends - 2021	-177,380.51
Retained Earnings	-48,595.76
Net Income	74,030.85
Total Equity	-221,190.02
TOTAL LIABILITIES & EQUITY	333,968.46

KALE ME CRAZY FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

KALE ME CRAZY FRANCHISING, INC.
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AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Kale Me Crazy Franchising, Inc.

Opinion

We have audited the financial statements of Kale Me Crazy Franchising, Inc., which comprises the balance sheets as of December 31, 2021, and 2020, and the related statement of operations, and changes in shareholder's (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Kale Me Crazy Franchising, Inc. as of December 31, 2021, and 2020, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kale Me Crazy Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kale Me Crazy Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Akiva Manne CPA
Allentown, PA
May 11, 2022

**KALE ME CRAZY FRANCHISING, INC.
BALANCE SHEETS**

		<u>ASSETS</u>	
		DECEMBER 31	
		2021	2020
Current Assets			
Cash	\$	101,820	\$ 29,070
Accounts receivable		12,976	7,413
Rebate receivable		2,301	—
Due from related party		19,318	—
Deferred commissions		30,101	29,797
Total Current Assets		166,516	66,280
Deferred commissions, net of current		157,219	184,283
Fixed Assets, net of depreciation		—	83,553
Total Assets	\$	323,735	\$ 334,116
<u>LIABILITIES AND SHAREHOLDER'S (DEFICIT)</u>			
Current Liabilities			
Accounts payable and accrued expenses	\$	100,893	\$ 33,196
Note payable, current		—	17,991
Loan payable		—	15,000
Marketing fund payable		48,694	—
Gift card payable		13,251	13,653
Deferred franchise fees, current		79,803	69,053
Total Current Liabilities		242,641	148,893
Note payable, net of current		—	56,250
Deferred franchise fees, net of current		359,288	401,842
Shareholder's (Deficit)		(278,194)	(272,869)
Total Liabilities and Shareholder's (Deficit)	\$	323,735	\$ 334,116

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND SHAREHOLDER'S (DEFICIT)

	YEARS ENDING DECEMBER 31	
	2021	2020
Revenue		
Royalties	\$ 738,527	\$ 486,977
Franchise fees	75,403	74,242
Marketing income	86,121	73,396
Rebate revenue	28,036	3,153
Other income	600	—
Total Revenue	928,687	637,768
Operating Expenses	763,958	637,062
Income from Operations	164,729	706
Gain on Sale of Fixed Asset	5,624	—
Grant Income - PPP	—	53,950
Net Income	170,353	54,656
Shareholder's (Deficit) - Beginning	(272,869)	(223,400)
Shareholder's (Distributions)	(175,678)	(104,125)
Shareholder's (Deficit) - Ending	\$ (278,194)	\$ (272,869)

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF CASH FLOWS

	YEARS ENDING DECEMBER 31	
	2021	2020
Cash Flows from Operating Activities:		
Net Income from Operations	\$ 164,729	\$ 706
Depreciation	4,177	22,280
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(5,563)	(4,009)
Rebate receivable	(2,301)	—
Due from related party	(19,318)	—
Prepaid commissions	26,760	33,425
Deposits	—	5,000
Other current assets	—	221
Accounts payable and accrued expenses	67,697	7,078
Marketing fund payable	48,694	—
Gift card payable	(402)	—
Loan payable	(15,000)	15,000
Deferred franchise fees	(31,804)	(87,354)
	<u>237,669</u>	<u>(7,653)</u>
Cash Flows from Financing Activities:		
Proceeds from sale of fixed asset	85,000	—
Proceeds from PPP grant	—	53,950
Fixed asset financing (payments)	(74,241)	(15,286)
	<u>10,759</u>	<u>38,664</u>
Cash Flows from Investing Activities:		
Shareholder's (distributions)	(175,678)	(104,125)
	<u>(175,678)</u>	<u>(104,125)</u>
Net Increase (Decrease) in Cash	72,750	(73,114)
Cash - Beginning of Year	29,070	102,184
Cash - End of Year	<u>\$ 101,820</u>	<u>\$ 29,070</u>

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Kale Me Crazy Franchising, Inc ("the Company") is a Georgia Corporation that was formed in July 2015 to offer franchises the opportunity to operate a superfoods cafe offering organic beverages, salads and wraps utilizing the system created by Kale Me Crazy Franchising, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a superfoods cafe using the Kale me Crazy system and name for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commission paid for franchises are amortized over the life of the franchise agreement. The Company adopted ASC-606 and ASU 2021-02 using the modified retrospective method beginning January 1, 2019.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

4. DEFERRED FRANCHISE FEES AND DEFERRED COMMISSIONS

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2021, and 2020, were \$439,091 and \$470,895, respectively. The commissions paid but not expensed as of December 31, 2021, and 2020, were \$187,320 and \$214,080, respectively.

5. MARKETING FUNDS

The Company's franchise agreement allows for collection of marketing fees, whose proceeds are restricted to brand name and franchise advertising. Any unused funds, carryforward to subsequent periods. Marketing funds collected for the years ending December 31, 2021, and 2020, were \$134,815 and \$73,396, respectively. Advertising expenditures for the years ending December 31, 2021, and 2020 were \$86,121 and \$67,280, respectively. At December 31, 2021, and 2020, the marketing fund payable totaled \$48,694 and \$0, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is five years. Expenditures for repairs and maintenance are charged to expense as incurred.

Property and equipment consist of an SUV acquired in October 2019 in the amount of \$111,402. Depreciation expense for the year ended December 31, 2021, and 2020, was \$4,177 and \$22,280, respectively. Accumulated depreciation as of December 31, 2020, totaled \$27,849. During February 2021 the Company sold the vehicle for \$85,000 and recorded a gain on the sale of \$5,624. The book value at the time of the sales was \$79,376.

7. THE PAYCHECK PROTECTION PROGRAM

During the second quarter of 2020 the Company received an unsecured loan in the amount of \$53,950 under the Paycheck Protection Program (the "PPP") which was established under the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"). Under the CARES Act loan forgiveness is available for the sum of documented payroll costs, covered rent payments and covered utilities during the measurement period beginning on the date of first disbursement of the PPP Loans.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for-profit entity. The Company determined it most appropriate to account for the PPP loan proceeds as an in-substance government grant because it has received forgiveness of the debt in January 2021. The Company has elected to recognize government grant income separately within other income to present a clear distinction in its financial statements between its operating income and the amount of net income resulting from the PPP loan and subsequent forgiveness.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

8. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through May 11, 2022 the at which the financial statements were available to be issued.

KALE ME CRAZY FRANCHISING, INC
FINANCIAL STATEMENTS
DECEMBER 31, 2020

KALE ME CRAZY FRANCHISING, INC
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AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Shareholder
Kale Me Crazy Franchising, Inc.

We have audited the accompanying financial statements of Kale Me Crazy Franchising, Inc. which comprises the balance sheet as of December 31, 2020 and the related statements of operations changes in shareholder's deficit and cash flows for the year ended December 31, 2020 and the related notes to financial statements. The financial statements for the year ending December 31, 2019 were audited by other auditors whose report dated March 4, 2020 included an unqualified opinion of those statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kale Me Crazy Franchising, Inc. as of December 31, 2020 and the results of its operations and its cash flows for the year ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.



Akiva Manne, CPA
February 22, 2021

KALE ME CRAZY FRANCHISING, INC
BALANCE SHEETS

	<u>ASSETS</u>	
	<u>DECEMBER 31</u>	
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$ 29,070	\$ 102,184
Accounts receivable	7,413	3,404
Prepaid commissions-current	29,797	30,368
Deposit	—	5,000
Other current asset	—	221
Total Current Assets	66,280	141,177
Deferred commission , net of current	184,283	217,137
Fixed Assets, net of depreciation	83,553	105,833
Total Assets	\$ 334,116	\$ 464,147
 <u>LIABILITIES AND SHAREHOLDER'S (DEFICIT)</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 46,849	\$ 39,771
Note payable-current	17,991	17,202
Loan payable	15,000	—
Deferred franchise fees-current	69,053	71,739
Total Current Liabilities	148,893	128,712
Note payable-net of current	56,250	72,325
Deferred revenue, net of current	401,842	486,510
Shareholder's (Deficit)	(272,869)	(223,400)
Total Liabilities and Shareholder's (Deficit)	\$ 334,116	\$ 464,147

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC
STATEMENTS OF OPERATIONS and SHAREHOLDER'S (DEFICIT)

	DECEMBER 31	
	2020	2019
Income		
Royalties	\$ 486,977	\$ 549,286
Franchise fees	74,242	86,572
Marketing income	73,396	9,085
Other income	<u>3,153</u>	<u>19,188</u>
Total Income	637,768	664,131
 Operating Expenses	 <u>637,062</u>	 <u>635,143</u>
 Income from Operations	 706	 28,988
 Grant Income - PPP	 <u>53,950</u>	 <u>—</u>
 Net Income	 54,656	 28,988
Shareholder's (Deficit) - Beginning	(223,400)	(120,723)
 Shareholder's Distribution	 <u>(104,125)</u>	 <u>(131,665)</u>
 Shareholder's (Deficit) - Ending	 <u>\$ (272,869)</u>	 <u>\$ (223,400)</u>

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC
STATEMENTS OF CASH FLOWS

	December 31	
	2020	2019
Cash flows from operating activities:		
Net Profit	\$ 54,656	\$ 28,988
Depreciation	22,280	21,955
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(4,009)	(2,190)
Prepaid commissions	33,425	(77,998)
Deposits	5,000	(5,000)
Other current assets	221	(221)
Accounts payable and accrued expenses	7,078	(8,112)
Loan payable	15,000	—
Deferred franchise fees	(87,354)	90,928
	<u>46,297</u>	<u>48,350</u>
Cash flows from financing activities		
Shareholder's distribution	(104,125)	(131,665)
Fixed asset financing (payments)	(15,286)	89,527
	<u>(119,411)</u>	<u>(42,138)</u>
Cash flows from investing activities		
Fixed asset acquisition	—	(111,402)
Fixed asset disposition	—	86,606
	<u>—</u>	<u>(24,796)</u>
Net (Decrease) in Cash	(73,114)	(18,584)
Cash - Beginning	102,184	120,768
Cash - Ending	<u>\$ 29,070</u>	<u>\$ 102,184</u>

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Kale Me Crazy Franchising, Inc ("the Company") is a Georgia Corporation that was formed in July 2015 to offer franchises the opportunity to operate a superfoods cafe offering organic beverages, salads and wraps.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a superfoods cafe using the Kale me Crazy system and name for a specified number of years. At December 31, 2020 and 2019, there were 19 and 18 franchises operating respectively.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

Revenue Recognition-In May 2014, the FASB issued a new accounting standard ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)", that attempts to establish a uniform basis for recording revenue to virtually all industries' financial statements. The revenue standard's core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services. Additionally, the new guidance requires enhanced disclosure to help financial statement users better understand the nature, amount, timing, and uncertainty of the revenue recorded. The Company adopted the standard commencing as of January 1, 2019 using the retrospective transition method.

KALE ME CRAZY FRANCHISING, INC
NOTES TO FINANCIAL STATEMENTS

The new standard changed how the Company records initial franchise fees. Under Legacy GAAP, franchise fees, which are non-refundable, were recognized as income when substantially all services to be performed by the Company and conditions relating to the sale of the franchise were performed or satisfied, which generally occurred when the franchisee commenced operations.

The new standard requires that the franchise fee received from customers be allocated to each separate and distinct performance obligation. The following services ("distinct performance obligations") are typically provided by the Company prior to the opening of a franchise location.

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiations
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about regulations affecting the franchisee's business; and
- Inspection, testing, and other quality control programs.

The transaction price attributable to each separate and distinct performance obligation would then be ~~recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is~~ not attributable to a distinct performance obligation is amortized over the life of the related franchise agreement.

Brokerage and employee commissions paid for the sale of a franchise are also affected by the changes in revenue recognition for franchise fees. Commissions paid are recognized as an expense in the same ratio as franchise fees are recognized as a percentage of the total fee paid. Any unrecognized fees paid are classified as deferred franchise fee expense on the balance sheet.

4. DEFERRED FRANCHISE FEES

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2020 and 2019, were \$470,895 and \$558,249, respectively.

5. PREPAID COMMISSIONS

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records prepaid commission to be recognized over the life of the franchise agreement. The commissions paid but not expensed as of December 31, 2020 and 2019, were \$214,080 and \$247,505, respectively.

KALE ME CRAZY FRANCHISING, INC
NOTES TO FINANCIAL STATEMENTS

6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is five years. Expenditures for repairs and maintenance are charged to expense as incurred.

Property and equipment consist of an SUV acquired in October 2019 in the amount of \$111,402. Depreciation expense for the year ended December 31, 2020 and 2019 was \$22,280 and \$5,575, respectively. Accumulated depreciation as of December 31, 2020 totaled \$27,849.

7. NOTE PAYABLE

An SUV acquired in October 2019 was financed with a 60-month automobile financing note at 4.95% interest, payable in 60 installments of \$1,772. The loan balance as of December 31, 2020 totaled \$74,241 and is due as follows:

Due in 2021	\$ 17,991
Due in 2022	18,902
Due in 2023	19,859
Due in 2024	17,488
Total note payable	<u>\$ 74,241</u>

8. COVID-19 AND THE PAYCHECK PROTECTION PROGRAM

The global outbreak of COVID-19 was declared a pandemic by the World Health Organization and a national emergency by the U.S. government in March 2020 and has negatively affected the U.S. economy. The continuing impact on the Company's business has contributed to and may continue to have a material adverse effect on the Company's business, results of operations, financial condition, and cash flows. At this time the full impact cannot be determined.

During the second quarter of 2020 the Company received an unsecured loan in the amount of \$53,950 under the Paycheck Protection Program (the "PPP") which was established under the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"). Under the CARES Act loan forgiveness is available for the sum of documented payroll costs, covered rent payments and covered utilities during the measurement period beginning on the date of first disbursement of the PPP Loans.

The PPP loan matures five years from the date of the first disbursement of proceeds to the Company and accrues interest at a fixed rate of 1%. Payments are deferred for at least the first six months and payable in 54 equal consecutive monthly installments of principal and interest commencing upon expiration of the deferral period of the PPP loan date.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for-profit entity. The Company determined it most appropriate to account for the PPP loan proceeds as an in-substance government grant because it has received forgiveness of the debt in January 2021. The Company has elected to recognize government grant income separately within other income to present a clear distinction in its financial statements between its operating income and the amount of net income resulting from the PPP loan and subsequent forgiveness.

KALE ME CRAZY FRANCHISING, INC
NOTES TO FINANCIAL STATEMENTS

9. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through February 22, 2020 the at which the financial statements were available to be issued.

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KALE ME CRAZY FRANCHISING, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

KALE ME CRAZY FRANCHISING, INC.
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AKIVA MANNE
CERTIFIED PUBLIC ACCOUNTANT
905 HARRISON ST ALLENTOWN, PA 18103

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Kale Me Crazy Franchising, Inc.

Opinion

We have audited the financial statements of Kale Me Crazy Franchising, Inc., which comprises the balance sheets as of December 31, 2021, and 2020, and the related statement of operations, and changes in shareholder's (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Kale Me Crazy Franchising, Inc. as of December 31, 2021, and 2020, and the results of its operations and its cash flows for the for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kale Me Crazy Franchising, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kale Me Crazy Franchising, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Akiva Manne CPA
Allentown, PA
May 11, 2022

**KALE ME CRAZY FRANCHISING, INC.
BALANCE SHEETS**

	<u>ASSETS</u>	
	<u>DECEMBER 31</u>	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 101,820	\$ 29,070
Accounts receivable	12,976	7,413
Rebate receivable	2,301	—
Due from related party	19,318	—
Deferred commissions	30,101	29,797
Total Current Assets	166,516	66,280
Deferred commissions, net of current	157,219	184,283
Fixed Assets, net of depreciation	—	83,553
Total Assets	\$ 323,735	\$ 334,116
 <u>LIABILITIES AND SHAREHOLDER'S (DEFICIT)</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 100,893	\$ 33,196
Note payable, current	—	17,991
Loan payable	—	15,000
Marketing fund payable	48,694	—
Gift card payable	13,251	13,653
Deferred franchise fees, current	79,803	69,053
Total Current Liabilities	242,641	148,893
Note payable, net of current	—	56,250
Deferred franchise fees, net of current	359,288	401,842
Shareholder's (Deficit)	(278,194)	(272,869)
Total Liabilities and Shareholder's (Deficit)	\$ 323,735	\$ 334,116

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF OPERATIONS AND SHAREHOLDER'S (DEFICIT)

	YEARS ENDING DECEMBER 31	
	2021	2020
Revenue		
Royalties	\$ 738,527	\$ 486,977
Franchise fees	75,403	74,242
Marketing income	86,121	73,396
Rebate revenue	28,036	3,153
Other income	600	—
Total Revenue	928,687	637,768
Operating Expenses	763,958	637,062
Income from Operations	164,729	706
Gain on Sale of Fixed Asset	5,624	—
Grant Income - PPP	—	53,950
Net Income	170,353	54,656
Shareholder's (Deficit) - Beginning	(272,869)	(223,400)
Shareholder's (Distributions)	(175,678)	(104,125)
Shareholder's (Deficit) - Ending	\$ (278,194)	\$ (272,869)

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
STATEMENTS OF CASH FLOWS

	YEARS ENDING DECEMBER 31	
	2021	2020
Cash Flows from Operating Activities:		
Net Income from Operations	\$ 164,729	\$ 706
Depreciation	4,177	22,280
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Changes in assets and liabilities		
Accounts receivable	(5,563)	(4,009)
Rebate receivable	(2,301)	—
Due from related party	(19,318)	—
Prepaid commissions	26,760	33,425
Deposits	—	5,000
Other current assets	—	221
Accounts payable and accrued expenses	67,697	7,078
Marketing fund payable	48,694	—
Gift card payable	(402)	—
Loan payable	(15,000)	15,000
Deferred franchise fees	(31,804)	(87,354)
	<u>237,669</u>	<u>(7,653)</u>
Cash Flows from Financing Activities:		
Proceeds from sale of fixed asset	85,000	—
Proceeds from PPP grant	—	53,950
Fixed asset financing (payments)	(74,241)	(15,286)
	<u>10,759</u>	<u>38,664</u>
Cash Flows from Investing Activities:		
Shareholder's (distributions)	(175,678)	(104,125)
	<u>(175,678)</u>	<u>(104,125)</u>
Net Increase (Decrease) in Cash	72,750	(73,114)
Cash - Beginning of Year	29,070	102,184
Cash - End of Year	<u>\$ 101,820</u>	<u>\$ 29,070</u>

See notes to financial statements

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Kale Me Crazy Franchising, Inc ("the Company") is a Georgia Corporation that was formed in July 2015 to offer franchises the opportunity to operate a superfoods cafe offering organic beverages, salads and wraps utilizing the system created by Kale Me Crazy Franchising, Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a superfoods cafe using the Kale me Crazy system and name for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Taxes on Income-The Company has elected to be taxed as a Sub S for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on his individual income tax returns.

3. REVENUE RECOGNITION

The Company records revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation are amortized over the life of the related franchise agreements. Commission paid for franchises are amortized over the life of the franchise agreement. The Company adopted ASC-606 and ASU 2021-02 using the modified retrospective method beginning January 1, 2019.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

4. DEFERRED FRANCHISE FEES AND DEFERRED COMMISSIONS

In compliance with the Financial Accounting Standards Board ("FASB") new accounting standards for revenue recognition ("Topic 606"), the Company records its non-refundable franchise fees, net of amounts earned based on allowable direct services, as deferred revenues, to be recognized over the life of the franchise agreement. The non-refundable franchise fees received but not yet earned as of December 31, 2021, and 2020, were \$439,091 and \$470,895, respectively. The commissions paid but not expensed as of December 31, 2021, and 2020, were \$187,320 and \$214,080, respectively.

5. MARKETING FUNDS

The Company's franchise agreement allows for collection of marketing fees, whose proceeds are restricted to brand name and franchise advertising. Any unused funds, carryforward to subsequent periods. Marketing funds collected for the years ending December 31, 2021, and 2020, were \$134,815 and \$73,396, respectively. Advertising expenditures for the years ending December 31, 2021, and 2020 were \$86,121 and \$67,280, respectively. At December 31, 2021, and 2020, the marketing fund payable totaled \$48,694 and \$0, respectively.

6. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is five years. Expenditures for repairs and maintenance are charged to expense as incurred.

Property and equipment consist of an SUV acquired in October 2019 in the amount of \$111,402. Depreciation expense for the year ended December 31, 2021, and 2020, was \$4,177 and \$22,280, respectively. Accumulated depreciation as of December 31, 2020, totaled \$27,849. During February 2021 the Company sold the vehicle for \$85,000 and recorded a gain on the sale of \$5,624. The book value at the time of the sales was \$79,376.

7. THE PAYCHECK PROTECTION PROGRAM

During the second quarter of 2020 the Company received an unsecured loan in the amount of \$53,950 under the Paycheck Protection Program (the "PPP") which was established under the Coronavirus Aid, Relief and Economic Security Act ("the CARES Act"). Under the CARES Act loan forgiveness is available for the sum of documented payroll costs, covered rent payments and covered utilities during the measurement period beginning on the date of first disbursement of the PPP Loans.

U.S. GAAP does not contain authoritative accounting standards for forgivable loans provided by governmental entities to a for-profit entity. The Company determined it most appropriate to account for the PPP loan proceeds as an in-substance government grant because it has received forgiveness of the debt in January 2021. The Company has elected to recognize government grant income separately within other income to present a clear distinction in its financial statements between its operating income and the amount of net income resulting from the PPP loan and subsequent forgiveness.

KALE ME CRAZY FRANCHISING, INC.
NOTES TO FINANCIAL STATEMENTS

8. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events were evaluated through May 11, 2022 the at which the financial statements were available to be issued.

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES

FRANCHISEES AS OF DECEMBER 31, ~~2021~~2022

State	Store	Store Address	Owner(s)	Contact #	Email
AL	Homewood	1831 28 th Ave. South Suite 106 Homewood AL 32509	Van Moody	404-606-1131	vanmoody@kalemecrazy.net
CO	Denver, CO	3231 N. Lowell Blvd Denver, CO 80211	Joni Tabb	404-234-1881	jonitabb@velocityconcessions.com
FL	Miami Tampa	3409 NE 1st Ave Miami <u>1110 Gramercy Park</u> <u>Lane</u> <u>Tampa, FL 33137</u> <u>33607</u>	Xanie Dunning* <u>Riz</u> <u>Rusli*</u> <u>Ditha Rusli*</u>	678-995- 1902 <u>617-838-</u> <u>8883</u> <u>617-257-1111</u>	xanied@gmail.com <u>riz.rusli@gmail.com</u> <u>rusli@kalemecrazy.net</u>
GA	Alpharetta	50 Canton St. Suite 101 Alpharetta, GA 30004	Philip Wahl*	404-840-1731	pawahl@live.com
GA	Aria Village	6600 Alastair Dr. Unit 400 Atlanta, GA 30328	Shehzaan Chunara Shahezad Hudda	404-936-4621 404-384-2837	shehzaan@chunaragroup.com shahezad@chunaragroup.com
GA	Brookhaven	4260 Peachtree Rd NE Atlanta, GA 30319	Xanic Dunning	678-995-1902	xanied@gmail.com
GA	East Cobb Decatur	4475 Roswell Road Marietta, GA 30062 <u>358 W.</u> <u>Ponce de Leon Ave</u> <u>Decatur, GA 30030</u>	Nelson Betancourt*	404-840-1731	natlantausa@gmail.com
<u>GA</u>	<u>East Cobb</u>	<u>4475 Roswell Road</u> <u>Marietta, GA 30062</u>	<u>Solomon</u> <u>Adesanya*</u>	<u>773-440-8355</u>	<u>solomon.a@kalemecrazy.net</u>
GA	Grant Park	519 Memorial Drive SE Atlanta, GA 30312	Shehzaan Chunara Shahezad Hudda	404-936-4621 404-384-2837	shehzaan@chunaragroup.com shahezad@chunaragroup.com
GA	Inman Park	300 N. Highland Ave., Ste. B, Atlanta, GA 30307	Shehzaan Chunara Shahezad Hudda	404-936-4621 404-384-2837	shehzaan@chunaragroup.com shahezad@chunaragroup.com
GA	Midtown	100 6th Street Atlanta GA 30308	Nelson Betancourt*	404-840-1731	natlantausa@gmail.com
GA	Roswell	1570 Holcomb Bridge Rd Roswell, GA 30076	Shehzaan Chunara Shahezad Hudda	404-936-4621 404-384-2837	shehzaan@chunaragroup.com shahezad@chunaragroup.com

GA	Sandy Springs	4600 Roswell Road Sandy Springs, GA 30342	Nelson Betancourt*	404-747-2160	natlantausa@gmail.com
GA	Smyrna	4500 West Village Place SE Suite 1003 Smyrna, GA 30080	Solomon Adesanya	773-440-8355	Solomon.a@kalemecrazy.net
GA	Vinings	3205 Cumberland Blvd. Atlanta, GA 30339	Darlyne Johnson* Nelson Betancourt*	917-841- 8010 404-840- 1731	Darlynerenee.johnson@gmail.com atlantausea@gmail.com
GA	Virginia Highlands	1402 N. Highland Ave NE Atlanta, GA 30307	Tilak Patel Ritesh Patel	478-714-9473 440-453-1081	tilakpatel@kalemecrazy.net ritishpatel@kalemecrazy.net
GA	West Cobb	3600 Dallas Hwy Suite 450 Marietta GA 30064	Paul Lackey* Mark Lackey*	678-571-5141 404-285-6926	paul.lackey@ambitpos.com markaaronlackey@gmail.com
MS	Ridgeland	1067 Highland Colony Pkwy, Suite D Ridgeland, MS 39157	Deanna Tubbs*	601-760-0687	tubbsdeanna@gmail.com
NC	Raleigh	2018 Cameron Street, Raleigh, NC 27605	Cinthia Quinto Arianna Quinto	919-916-7886 919-400-3577	cynthia_quinto@yahoo.com quintoari2@gmail.com
NC	Wilmington	6800 Parker Farm Dr. Unit 100, Wilmington, NC 28405	Kelsey Schuler Mark Steele	973-459-8139 973-222-6485	kelsey.schuler15@gmail.com marksteele@usptg.com
TX	Austin	8300 N. FM 620 Austin, TX 78726	Nicole Tomaszewski	312-691-3088	Ngrotte001@yahoo.com
TX	Houston Heights	718 W. 18 th Street, Bldg. B Houston, TX 77008	Deric Rutherford LaTosha Rutherford	832-971-4866 832-771-6059	Tdrud98@gmail.com

* denotes a Multi-Unit Operator

**FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT WERE NOT
OPERATIONAL AS OF DECEMBER 31, ~~2021~~2022**

<u>State</u>	<u>Store</u>	<u>Store Address</u>	<u>Owner(s)</u>	<u>Contact #</u>	<u>Email</u>
AL	Birmingham	1709 1st Ave N Birmingham, AL 35203	Van Moody	404-606- 1131	vanmoody@kalemecrazy.net
CA	Orange County	TBD	Emre Yavuz	650-255- 0454	Emre.yavuz@fawkesinternational.com
FL	Tampa	1110 Gramercy Park Lane Tampa, FL 33607	Riz Rusli* Ditha Rusli*	617-838- 8883	riz.rusli@gmail.com
TX	Dallas	TBD	Khalil Lalani	817-690- 1480	kilalani@gmail.com

* denotes a Multi-Unit Operator

FRANCHISEES WHO HAVE LEFT THE SYSTEM

Superfood Cafes Terminated/Closed as of December 31, ~~2021~~2022

Franchisee Name	Address	City	State	Zip Code	Phone
Joseph Woo* Samuel Yu <u>Xanic Dunning</u>	2929 N. Druid Hills Rd NE <u>3409 NE 1st Ave</u>	Atlanta <u>Miami</u>	GA <u>FL</u>	30329 <u>33137</u>	404-452-6661 404-784-0009 <u>678-995-1902</u>

Superfood Cafes Transferred as of December 31, ~~2021~~2022

Former Franchisee Name	Address	City	State	Zip Code	Phone
Patrick Greene	1831 28th Ave. South Suite 106	Homewood	AL	32509	205-441-8255
Mike Putzke Mark Baggins <u>Darlyn Johnson</u>	1402 N. Highland Ave NE <u>3205 Cumberland Blvd.</u>	Atlanta	GA	30307 <u>30339</u>	404-808-7575 816-588-6569 <u>917-841-8010</u>
Paul Lackey Mark Lackey	519 Memorial Drive SE	Atlanta	GA	30312	678-571-5141 404-285-6926
Phil Wahl <u>Nelson Betancourt</u>	1570 Holcomb Bridge Rd <u>4475 Roswell Road</u>	Roswell <u>Marietta</u>	GA	30076 <u>30062</u>	404-840-1731 404-747-2160
AJ Gonzalez Deanna Gonzalez	4500 West Village Place SE Suite 1003	Smyrna	GA	30080	678-356-4038 678-457-2004
Jeff Hutto	2018 Cameron St	Raleigh	NC	27605	917-721-9051

* Franchised unit was reacquired by Franchisor

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EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

<u>CALIFORNIA</u> California Department of Financial Protection and Innovation Franchise Division 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov 2101 Arena Blvd. Sacramento, CA 9581495834 (916) 445-7205 1350 Front Street 1455 Frazee Road, Suite 315 San Diego, CA 9210192108 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner
<u>HAWAII</u> (state administrator) Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

<u>INDIANA</u> (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	<u>MARYLAND</u> (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<u>MICHIGAN</u> (state administrator) Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48931 (517) 335-7567 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	<u>MINNESOTA</u> (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1638 (for service of process) Minnesota Commissioner of Commerce
<u>NEW YORK</u> (state administrator) NYS Department of Law Investor Protection Bureau 28 Liberty Street 21st Floor New York, New York 10005 (212) 416-8222 Phone (for service of process) Attn: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue Albany, New York 12231-0001 (518) 473-2492	<u>NORTH DAKOTA</u> North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712 (for service of process) Securities Division

<u>OREGON</u> Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	<u>RHODE ISLAND</u> State of Rhode Island and Providence Plantations Department of Business Regulation 1511 Pontiac Avenue, Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527
<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, South Dakota 57501 (605) 773-3563	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733
<u>WASHINGTON</u> (state administrator) Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507-9033 (360) 902-8760 (for service of process) Director of Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501 (360)902-8760	<u>WISCONSIN</u> (state administrator) Division of Securities Department of Financial Institutions 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703 (608) 266-1064 (for service of process) Administrator, Division of Securities Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC AMENDMENTS

The following information supplements our Franchise Disclosure Document and supersedes any conflicting information contained in the main body of the Disclosure Document.

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT WE GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Neither we 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 such persons from membership in that association or exchange.

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

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 has not been reviewed or approved by the Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the Department of Financial Protection and Innovation at www.dfpi.ca.gov.

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

We may be limited in the amount of interest we may charge you as discussed in Item 6 of this Disclosure Document. The Department of Financial Protection and Innovation has asked us to disclose to you that currently the highest interest rate permitted by law in California is 10%.

The Franchise Agreement and Development Agreement each provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101 et seq.).

The Franchise Agreement and Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Development Agreement each require application of the laws of Georgia. These provisions may not be enforceable under California law.

The Franchise Agreement and the Development Agreement each require binding arbitration. The arbitration will occur at the office of the American Arbitration Association closest to our principal executive office with each party responsible for its own costs.

You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and professions code section 20040.5, code of civil procedures section 1281, and the federal arbitration act) to any provisions of a franchise agreement or development agreement restricting venue to a forum outside the state of California.

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

ADDENDUM REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE FDD, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FDD CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS,

RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commissioner of Securities, State of Hawaii, 335 Merchant Street, Honolulu, Hawaii 96813

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Item 5 of this Disclosure Document is modified to include the following paragraph:

Based on our initial financial condition, the Illinois Attorney General's Office requires that payment of all Initial Franchise Fees be deferred until such time as all initial obligations which we owe to you under the Franchise Agreement and any other agreement have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. Therefore, Initial Franchise Fees must be paid to us in full by you immediately upon the commencement of your Kale Me Crazy® Juice Bar franchise.

Item 17 of this Disclosure Document is modified to include the following paragraph:

Sec. 705/4 of the Illinois Franchise Disclosure Act of 1987 provides that "any provision in a franchise~~license~~-agreement that designates jurisdiction or venue in a forum outside of [Illinois] is void."

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Illinois Law governs the Franchise Agreement.

Franchisees right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete that extends beyond the termination of the Franchise Agreement and the Development Agreement. These provisions may not be enforceable under Indiana law.

Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the Franchise Agreement or the Development Agreement and the termination is not done in bad faith.

If Indiana law requires the Franchise Agreement, the Development Agreement and all related documents to be governed by Indiana law, then nothing in the Franchise Agreement, the Development Agreement or related documents referring to Georgia law will abrogate or reduce any of your rights as provided for under Indiana law.

Item 8, “Restrictions on Sources of Products and Services,” is amended by the addition of the following language:

Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Although the Franchise Agreement and the Development Agreement each require arbitration to be held in the office of the American Arbitration Association closest to our principal executive office, arbitration held pursuant to the Franchise Agreement or the Development Agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 5 of this Disclosure Document is modified as follows:

All fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee. In addition, with respect to the Development Agreement, all development fees and initial payments by developer shall be deferred until the first franchise under the development agreement opens.

Item 17 of this Disclosure Document is modified as follows:

The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Although the Franchise Agreement and the Development Agreement each require litigation to be instituted in a court in close proximity to our principal executive office, you must institute litigation for violations of Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction located in the State of Maryland, subject to the arbitration provisions of the Franchise Agreement and the Development Agreement.

The Franchise Agreement and Development Agreement each provide for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of your franchise.

To the extent that any provisions of the Development Agreement, Franchise Agreement and/or Franchisee Disclosure Questionnaire require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a KALE ME CRAZY® franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE BEFORE THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

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

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE

CONSUMER PROTECTION DIVISION

ATTN: FRANCHISE SECTION

670 LAW BUILDING

LANSING, MICHIGAN 48913

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

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

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

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. Also, a court will determine if a bond is required.

Any limitations of claims must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

You may terminate the agreement on any grounds available by law

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

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

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under North Dakota law.

Although the Franchise Agreement and the Development Agreement each provide that the place of arbitration will be held at the American Arbitration Association office that is closest to our principal executive office, we agree that the place of arbitration will be a location that is in close proximity to the site of your business.

The Franchise Agreement and the Development Agreement each require that you consent to the jurisdiction of a court in close proximity to our principal executive offices. These provisions may not be enforceable under North Dakota law because North Dakota law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Although the Franchise Agreement and the Development Agreement each provide that the Franchise Agreement and the Development Agreement will be governed by and construed in accordance with the laws of the State of Georgia, we agree that the laws of the State of North Dakota will govern the construction and interpretation of the Franchise Agreement and the Development Agreement.

A contractual requirement that you sign a general release may be unenforceable under the laws of North Dakota.

Notwithstanding anything contained in the Franchise Agreement or the Development Agreement to the contrary, each party shall bear its own costs and expenses in connection with any enforcement action brought by either party under the Franchise Agreement or Development Agreement.

To the extent that Section 22.1 of the Franchise Agreement is a liquidated damages provision in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, this provision shall be deleted from the Franchise Agreement.

To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of exemplary or punitive damages, these provisions will be deleted from the Agreements.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to these Additional Disclosures.

ADDENDUM REQUIRED BY THE STATE OF VIRGINIA

Item 17, Additional Disclosure. The following statement is added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise.

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

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

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

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

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

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

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

EXHIBIT E TO THE FRANCHISE DISCLOSURE DOCUMENT

**Franchise Agreement
(With Addenda)**

KALE ME CRAZY FRANCHISING, INC.



KALE ME CRAZY FRANCHISING, INC.

FRANCHISE AGREEMENT



FRANCHISEE

DATE

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KALE ME CRAZY FRANCHISING, INC.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into by and between Kale Me Crazy Franchising, Inc., a Georgia corporation having its principal place of business at 3167 Peachtree Rd Suite F, Atlanta, Georgia 30305 (“we”, “us” or “our”) and _____, a _____ corporation/limited liability company/partnership, having its principal place of business at _____ (“you” or “your”) on the date this Agreement is executed by us below (the “Effective Date”).

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of superfood cafes specializing in selling smoothies, pressed juices, specialty drinks and shots featuring vegetables, fruits and other super foods, as well as selling high quality salads, acai bowls, wraps, and toast;

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Kale Me Crazy[®]” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks”);

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service;

WHEREAS, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications; and

WHEREAS, you desire to use the System in connection with the operation of a superfood cafe at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

SECTION I **GRANT**

1.1 Grant of Franchise

In reliance on the representations and warranties of you and your Controlling Principals (as defined in Section 19.18) hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate a Kale Me Crazy® Superfood Cafe under the Marks and the System in accordance with this Agreement (“Superfood Cafe” or “Franchised Business”). You and the Controlling Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Superfood Cafe hereunder and not for the purpose of reselling the rights to develop the Superfood Cafe hereunder. You and the Controlling Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by, you and the Controlling Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Superfood Cafe is open for business to the public in accordance with Section 2.6, and then only in accordance with Article XVI hereof.

1.2 Accepted Location

The specific street address of the Superfood Cafe location accepted by us shall be set forth in Attachment A (“Location” or “Accepted Location”). You shall not relocate the Superfood Cafe without our express prior written consent, which consent shall not be unreasonably withheld. This Agreement does not grant to you the right ~~or license~~ to operate the Superfood Cafe or to offer or sell any products or services described under this Agreement at or from any other location.

1.3 Relocation

If you are unable to continue the operation of the Superfood Cafe at the Accepted Location because of the occurrence of a force majeure event (as described in Section 17.1.3(e)), then you may request our approval to relocate the Superfood Cafe to another location in the Territory, as that term is defined below, which approval shall not be unreasonably withheld. Any other relocation outside the Territory or a relocation of the Superfood Cafe not caused by force majeure shall also be subject to our prior approval. If we elect to grant you the right to relocate the Superfood Cafe, then you shall comply with the site selection and construction procedures set forth in Article II.

1.4 Territory

Upon the execution of this Agreement, you will be assigned an exclusive territory (the “Territory”) that will also be described in Attachment A. Except as provided in this Agreement, and subject to your and the Controlling Principals’ material compliance with this Agreement, any

other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and us, we shall not establish or authorize any other person or entity, other than you, to establish a Superfood Cafe in the Territory during the term of this Agreement and any extensions hereof. You acknowledge and understand that the rights granted hereunder pertain only to the establishment of a Superfood Cafe. You acknowledge and agree that our affiliates currently operate, or may in the future operate, Superfood Cafes under different marks and with operating systems that are the same as or similar to the System, and that any such superfood cafes might compete with your Superfood Cafe. You further agree and acknowledge that the license granted hereby is only for the operation of one (1) Superfood Cafe and only at a location approved by us.

1.5 Our Reserved Rights

Except as expressly limited by Section 1.4, we and our affiliates retain all rights with respect to Superfood Cafes, the Marks and the sale of any products and services outside of your Territory, including, without limitation, the right:

1.5.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Superfood Cafes and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Territory, and under any terms and conditions we deem appropriate. “Alternative distribution channels” include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales;

1.5.2 to operate and to grant others the right to operate Superfood Cafes located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Superfood Cafe;

1.5.3 to operate and to grant others the right to operate Superfood Cafes at non-traditional sites within and outside the Territory under any terms and conditions we deem appropriate; and

1.5.4 the right to acquire and operate a business operating one or more superfood cafes or food service businesses located or operating in the Territory.

As used in this Agreement, Non-Traditional Sites shall include, without limitation, military bases, shopping malls, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, cafeterias, snack bars, trucks, casinos, sports or entertainment venues or stadiums, and retail superfood cafe locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

SECTION II

SITE SELECTION, PLANS AND CONSTRUCTION

2.1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Superfood Cafe within the Territory, and for constructing and equipping the Superfood Cafe at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Superfood Cafe unless the site is accepted by us as set forth below. You acknowledge that the location, selection, procurement and development of a site for the Superfood Cafe is your responsibility; that in discharging such responsibility you shall consult with real estate and other professionals of your choosing; and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that the Superfood Cafe operated at that site will be profitable or otherwise successful.

2.2 Site Selection

2.2.1 Prior to acquiring by lease or purchase a site for the Superfood Cafe, but within ninety (90) days of the date this Agreement is executed, you shall locate a site for the Superfood Cafe that satisfies the site selection guidelines provided to you by us pursuant to Section 5.1 and shall submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of this information and materials to approve or disapprove, in our sole discretion, the proposed site as the location for the Superfood Cafe. We shall, in accordance with Section 5.2, provide location assistance, at your expense. No site may be used for the location of the Superfood Cafe unless it is first accepted in writing by us. You acknowledge and agree that our approval of a location for the Superfood Cafe is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Superfood Cafe will be profitable. Our approval of a location for the Superfood Cafe only signifies that the location meets our then-current minimum criteria for a Kale Me Crazy® Superfood Cafe.

2.2.2 If you elect to purchase the premises for the Superfood Cafe, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within ten (10) days after execution. If you will occupy the premises of the Superfood Cafe under a lease or sublease, you shall submit a copy of the lease or sublease to us for written approval prior to its execution and shall furnish to us a copy of the executed lease or sublease within ten (10) days after execution. No lease or sublease for the Superfood Cafe premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment B, is attached to the lease and incorporated therein. We shall have ten (10) days after receipt of the lease, sublease or the proposed contract of sale to either approve or disapprove such documentation prior to its execution.

2.2.3 After a location for the Superfood Cafe is accepted by us and acquired by you pursuant to this Agreement the location shall be described in Attachment A.

2.3 Zoning Clearances, Permits and Licenses

You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Superfood Cafe premises. Prior to beginning the construction of the Superfood Cafe, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Superfood Cafe, and (ii) certify in writing to us that the insurance coverage specified in Article XII is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. Upon written request, you shall provide to us additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications.

2.4 Design of Superfood Cafe

You must obtain any architectural, engineering and design services you deem necessary for the construction of the Superfood Cafe at your own expense from an architectural design firm approved by us, which approval shall not be unreasonably withheld. You shall submit architectural plans to us for our review. You must use our designated architect if we require you to do so, at your expense. You are responsible for hiring a licensed General Contractor who is responsible for hiring Mechanical, Electrical and Plumbing (“MEP”) engineers directly. If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within ten (10) days of receiving such plans. If we fail to notify you of an objection to the plans within this time period, you may use such plans. If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We shall, upon a re-submission of the plans with such changes, notify you within ten (10) days of receiving the resubmitted plans whether the plans are acceptable. If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans. You acknowledge that our review of such plans relates only to compliance with the System and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their design or structural application.

2.5 Build-Out of Superfood Cafe

You shall commence and diligently pursue construction or remodeling (as applicable) of the Superfood Cafe. Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Superfood Cafe. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress. You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. Within a reasonable time after the

date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Superfood Cafe. You acknowledge and agree that you will not open the Superfood Cafe for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement.

2.6 Opening Date; Time is of the Essence

You acknowledge that time is of the essence. Subject to your compliance with the conditions stated below, you shall open the Superfood Cafe and commence business within three (3) to twelve (12) months (depending on real estate availability) after you execute this Agreement, unless you obtain an extension of such time period from us in writing. The date the Superfood Cafe actually opens for business to the public is herein called the “Opening Date”. Prior to opening, you shall complete all exterior and interior preparations for the Superfood Cafe, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Sections 6.2 through 6.7, to our reasonable satisfaction. If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure act as described in Section 17.1.3(e), we shall have the right to prohibit you from commencing business. Your failure to open the Superfood Cafe and commence business in accordance with the foregoing shall be deemed an event of material default under this Agreement.

SECTION III **TERM AND RENEWAL**

3.1 Term

Unless sooner terminated as provided in Article XVII hereof, the term of this Agreement shall continue from the date stated on the first page hereof for a period of ten (10) years.

3.2 Renewal

This Agreement may be renewed by you for two (2) additional terms of ten (10) years each, as set forth in this Section 3.2.

3.2.1 You shall have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this Agreement, your lease or sublease and all other agreements between you and us or companies associated or affiliated with us.

3.2.2 We shall, within ninety (90) days before the expiration of the Initial Term, provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Business franchises (all of which will contain terms substantially the same as those herein contained, except with respect to fees to be paid to us, which fees shall be the same

as those Franchise Agreements being executed at the time of renewal, and which will not obligate you to pay a further initial franchise fee).

3.2.3 You shall execute the renewal Franchise Agreement and all other documents and instruments that we require in order to renew this Agreement. You shall return the executed documents to us, together with payment of our then-current renewal fee, by no later than the expiration date of this Agreement. If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement, and you shall comply with the provisions of Article XVIII and any other provisions that survive termination or expiration of this Agreement.

3.2.4 After we have received from you all executed renewal documents and the renewal fee, we shall inspect your Business to determine the extent of any required updating, remodeling, redecorating or other refurbishment for the Business in order to bring the Business up to our then-current image and standards for new Kale Me Crazy® Superfood Cafes. We will provide notice to you of the modifications you shall be required to make and you shall have six (6) months from the date of such notice to effectuate such modifications. If you fail or refuse to make the required modifications, we shall have the right to terminate the Renewal Franchise Agreement.

3.3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Superfood Cafe Premises is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

3.4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

3.5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us

for a renewal franchise, or if you provide written notice to us within the final sixty (60) days of the Initial Term indicating that you do not wish to renew this Agreement.

SECTION IV

FEES

4.1 Initial Franchise Fee; Training Fee

4.1.1 You shall pay to us an initial franchise fee of Forty Thousand Dollars (\$40,000) which shall be paid upon the execution of this Agreement. The amount of the initial franchise fee when so paid shall be deemed fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party. If you are unable to find a suitable location for the Superfood Cafe within ninety (90) days after this Agreement is executed, or if you or your General Manager is/are unable to complete the initial training program to our Franchisor's satisfaction (after having provided you an opportunity to designate a replacement General Manager), then we shall have the option, to be exercised in our discretion, to terminate this Agreement. The initial franchise fee is not refundable, in whole or in part, under any other circumstances. You agree to execute and deliver any documents that we require before receiving such refund, including, but not limited to, a general release and a confidentiality and non-competition agreement.

4.1.2 Included in the initial franchise fee is the training fee. Training for three (3) people is included in the initial franchise fee, but you shall pay for all of the trainees' expenses while attending training, including travel, lodging, meals and applicable wages. Training of additional individuals will be at our then-current charge; currently this fee is \$750.

4.2 Royalty Fees

4.2.1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a continuing weekly royalty fee of six percent (6%) of Gross Receipts. Such royalty fee shall be due and payable each week based on the Gross Receipts for the preceding week ending Sunday so that it is received by us by electronic funds transfer on or before the Wednesday following the end of each week, provided that such day is a business day. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day.

4.2.2 Each such royalty fee shall be preceded by a royalty report itemizing the Gross Receipts for the preceding week ending Sunday ("Royalty Report") and any other reports required hereunder. Notwithstanding the foregoing, you shall provide us with such Gross Receipts information on the Monday of each week (or next business day if the Monday is not a business day) electronically or, if not reasonably available, by facsimile transmission or such other method of delivery as we may reasonably direct.

4.2.3 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.3 Advertising Fee

In addition to the royalty fee described in Section 4.2 above, you agree to pay to us an advertising fee in an amount of one percent (1%), up to two percent (2%) of the Superfood Cafe's Gross Receipts. We may increase this fee upon thirty (30) days advance notice from us. Such advertising fee shall be contributed to an Advertising Fund maintained by us, as described in Section 8.3 below. The advertising fee is payable to us at the same time and in the same manner as the royalty fee.

4.4 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account each week by electronic funds transfer ("EFT") in the amount of the royalty fee, advertising fee and any other payments due to us and/or our affiliates. If you do not report the Superfood Cafe's Gross Receipts, we may debit your account for one hundred twenty percent (120%) of the last royalty fee and advertising fee that we debited. If the royalty fee and advertising fee we debit are less than the royalty fee and advertising fee you actually owe to us, once we have been able to determine the Superfood Cafe's true and correct Gross Receipts, we will debit your account for the balance on a day we specify. If the royalty fee and advertising fee we debit are greater than the royalty fee and advertising fee you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following week. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, interest may be charged by us in accordance with Section 4.5 below. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion.

4.5 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder. Any payment or report not actually received by us on or before its due date shall be deemed overdue. Time is of the essence with respect to all payments to be made by you to us. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of (i) eighteen percent (18%) per annum; or (ii) the maximum rate allowed by applicable law. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If any excess of interest is provided for herein, or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Controlling Principals shall be obligated to pay the excess amount of such interest. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest.

4.6 Definition of Gross Receipts

“Gross Receipts” shall mean the total selling price of all services and products and all income of every other kind and nature related to the Superfood Cafe (including, without limitation, income related to catering and delivery activities, and any sales or orders of food products or food preparation services provided from or related to the Superfood Cafe), whether for cash or credit and regardless of collection in the case of credit. In the event of a cash shortage, the amount of Gross Receipts shall be determined based on the records of the electronic cash register system and any cash shortage shall not be considered in the determination. Gross Receipts expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments.

4.7 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement.

SECTION V **OUR OBLIGATIONS**

We agree to provide the services described below with regard to the Superfood Cafe:

5.1 Site Selection Assistance

Our written site selection guidelines and such site selection assistance as we may deem advisable.

5.2 Location Assistance; On-Site Evaluation

If you request that we provide you with assistance in locating a suitable site for your Superfood Cafe, or if you request that we conduct an on-site evaluation of your proposed site, you shall pay our reasonable fee for providing such assistance or performing such evaluation, as well as the reasonable expenses incurred by us (or our designee) in connection with such assistance, including, without limitation, the costs of travel, lodging and meals. For any on-site evaluation requested by you, we shall not be required to conduct such evaluation until we receive of all required information and materials concerning such site prepared pursuant to Article II.

5.3 Prototype Design Plans

On loan, one (1) set of prototypical architectural and design plans and specifications for a Superfood Cafe. You shall independently, and at your expense, have such architectural and design plans and specifications adapted for construction of the Superfood Cafe in accordance with Article II.

5.4 Confidential Operations Manual

On loan, one (1) set of Confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the “Manuals”), as more fully described in Section 10.1. The

Manuals may, in our discretion, be provided electronically or via an intranet website for all Kale Me Crazy® Superfood Cafes in the System.

5.5 Visits and Evaluations

Visits to the Superfood Cafe and evaluations of the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Section 7.5.6.

5.6 Advertising and Promotional Materials

Certain advertising and promotional materials and information developed by us and/or our affiliate from time to time for use by you in marketing and conducting local advertising for the Superfood Cafe at a reasonable cost to you. We shall have the right to review and approve or disapprove all advertising and promotional materials that you propose to use, pursuant to Article VIII.

5.7 Management and Operations Advice

Advice and written materials concerning techniques of managing and operating the Superfood Cafe from time to time developed by us, including new developments and improvements in Superfood Cafe equipment, food products and the packaging and preparation thereof and menu items.

5.8 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and memorabilia, in sufficient amounts to meet customer demand. We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier.

5.9 Approved Suppliers

A list of approved suppliers as described in Section 7.4 from time to time as we deem appropriate.

5.10 Initial Training Program

An initial training program for you and your General Manager, as well as other training programs in accordance with the provisions of Sections 6.4.1, 6.4.2 and 6.4.4. Included in the initial franchise fee is the training fee. Training for up to three (3) people is included in the initial franchise fee, but you shall pay for all of the trainees' expenses while attending training, including travel, lodging, meals and applicable wages.

5.11 Opening Assistance

On-site opening assistance at the Superfood Cafe in accordance with the provisions of Section 6.4.2.

5.12 Advertising Fund

Establishment and administration of an advertising fund and/or advertising cooperatives in accordance with Article VIII.

SECTION VI

YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Use Commercially Reasonable Efforts

Each of you and the Controlling Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Superfood Cafe so as to achieve optimum sales.

6.2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Controlling Principals represent, warrant and covenant that:

6.2.1 You are a newly formed entity duly organized and validly existing under the state law of your formation, with your sole purpose being to own and operate one or more Kale Me Crazy® franchise units;

6.2.2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification;

6.2.3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Superfood Cafe, unless otherwise consented to in writing by us;

6.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you;

6.2.5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement; or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement;

6.2.6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment C. Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity. You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request;

6.2.7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section shall not apply to the transfer of equity securities of a publicly held corporation (as defined in Section 19.18). If you are a partnership or limited liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement;

6.2.8 You must have provided us with your most recent financial statements. Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended. You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement. Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements.

6.2.9 If, after the execution of this Agreement, any person ceases to qualify as one of your Principals (defined in Section 19.18) or if any individual succeeds to or otherwise comes to occupy a position which would, upon designation by us, qualify him as one of your Principals, you shall notify us within ten (10) days after any such change and, upon designation of such person by us as one of your Principals or as a Controlling Principal, as the case may be, such person shall execute such documents and instruments (including, as applicable, this Agreement) as may be required by us to be executed by others in such positions;

6.2.10 Your Principals shall each execute and bind themselves to the confidentiality and non-competition covenants set forth in the Confidentiality Agreement and Ancillary Covenants Not to Compete which forms Attachment D to this Agreement (see Sections 10.2.2 and 10.3.4). The Controlling Principals shall, jointly and severally, guarantee your performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained herein, and shall otherwise bind themselves to the terms of this Agreement as stated herein; and

6.2.11 You and the Controlling Principals acknowledge and agree that the representations, warranties and covenants set forth above in Sections 6.2.1 through 6.2.10 are continuing obligations of you and the Controlling Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. You and the Controlling Principals will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants.

6.3 General Manager

You shall designate and retain at all times a general manager (“General Manager”) to direct the operation and management of the Superfood Cafe. The General Manager shall be responsible for the daily operation of the Superfood Cafe and may be one of the Controlling Principals. The General Manager shall, during the entire period he serves as General Manager, meet the following qualifications:

6.3.1 The General Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us;

6.3.2 The General Manager shall devote full time and best efforts to the supervision and management of the Superfood Cafe;

6.3.3 The General Manager shall be an individual acceptable to us; and

6.3.4 The General Manager shall satisfy the training requirements set forth in Section 6.4. If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly notify us and designate a replacement within sixty (60) days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Superfood Cafe until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Section 6.3 shall be deemed a material event of default under Section 17.1.3(o) hereof.

6.4 Training

You agree that it is necessary to the continued operation of the System and the Superfood Cafe that your personnel receive such training as we may reasonably require, and accordingly agree as follows:

6.4.1 Not later than sixty (60) days prior to the Opening Date, you and your General Manager (for a maximum of three (3) persons) shall attend and complete, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Superfood Cafe at such location(s) as may be designated by us. One additional person (besides Franchisee and General Manager) may attend our initial training program. If you wish to send additional employees to our initial training program, whether before the Superfood Cafe opens or

while the Superfood Cafe is operating, you shall pay to us our then-current training fee for each additional trainee.

We shall determine, in our reasonable discretion, whether the General Manager has satisfactorily completed initial training. If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by the General Manager, or (c) if we in our reasonable business judgment, based upon the performance of the General Manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training. Any General Manager subsequently designated by you shall also receive and complete such initial training. We reserve the right to charge a reasonable fee for any initial training provided by us to any initial General Manager or any other Superfood Cafe personnel for any initial training provided to a replacement or successor General Manager. You shall be responsible for any and all expenses incurred by you, your General Manager and other Superfood Cafe personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and wages.

6.4.2 In connection with the opening of the Superfood Cafe, we shall provide you with opening assistance by a trained representative of us or our designee. The trainer will provide on-site pre-opening and opening training, supervision, and assistance to you for a period of up to ten (10) days around the Superfood Cafe's opening. You agree to reimburse the expenses incurred by our representative in providing such opening assistance, including, but not limited to, travel, lodging and meals. If this Agreement is for your second (2nd) or later Superfood Cafe, we reserve the right to not provide opening assistance.

6.4.3 Upon your reasonable request or as we shall deem appropriate, we shall, during the term hereof, subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site training and assistance to your Superfood Cafe personnel. For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

6.4.4 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Superfood Cafe. Such training programs and seminars may be offered to the General Manager or other Superfood Cafe personnel generally, and we may designate that such training programs and seminars are mandatory for your General Manager and other Superfood Cafe personnel. We will present the training program at our cost, or we may use money from the Advertising Fund to do this, but you must pay for your trainees' expenses, including travel, lodging, meals and applicable wages.

6.5 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Kale Me Crazy® Superfood Cafe operators, which meetings shall not occur more frequently than annually. We shall not be required to hold such meetings until we believe it is prudent to do so. These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons. We reserve the right to designate that attendance at any franchisee meeting is mandatory for you and/or your General Manager. We may use money from the Advertising Fund

to pay for the cost of presenting the annual meeting. You shall pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages.

6.6 Hiring Practices

You and the Controlling Principals understand that compliance by all franchisees and multi-unit operators operating under the System with our training, development and operational requirements is an essential and material element of the System and that we and franchisees, and multi-unit operators operating under the System consequently expend substantial time, effort and expense in training management personnel for the development and operation of their respective Superfood Cafes. Accordingly, you and the Controlling Principals agree that if you or any Controlling Principal shall, during the term of this Agreement, designate as General Manager or employ in a managerial position any individual who is at the time or was within the preceding ninety (90) days employed in a managerial or supervisory position by us, including, but not limited to, individuals employed to work in Superfood Cafes operated by us or by any other franchisee, then such former employer of such individual shall be entitled to be compensated for the reasonable costs and expenses, of whatever nature or kind, incurred by such employer in connection with the training of such employee. The parties hereto agree that such expenditures may be uncertain and difficult to ascertain and therefore agree that the compensation specified herein reasonably represents such expenditures and is not a penalty. An amount equal to the compensation of such employee for the six (6) month period (or such shorter time, if applicable) immediately prior to the termination of his employment with such former employer shall be paid by you to the former employer prior to such individual assuming the position of General Manager or other managerial position unless otherwise agreed with the former employer. In seeking any individual to serve as General Manager or in such other managerial position, you and the Controlling Principals shall not discriminate in any manner whatsoever to whom the provisions of this Section apply, on the basis of the compensation required to be paid hereunder, if you or any Controlling Principal designate or employ such individual. The parties hereto expressly acknowledge and agree that no current or former employee of us, you, or of any other entity operating under the System shall be a third party beneficiary of this Agreement or any provision hereof. Notwithstanding the above, solely for purposes of bringing an action to collect payments due under this Section, such former employer shall be a third party beneficiary of this Section 6.6. We hereby expressly disclaim any representations and warranties regarding the performance of any employee or former employee of ours, or any franchisee, or multi-unit operator under the System who is designated as your General Manager or employed by you or any of the Controlling Principals in any capacity, and we shall not be liable for any losses, of whatever nature or kind, incurred by you or any Controlling Principal in connection therewith.

6.7 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or

interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

6.8 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder.

SECTION VII FRANCHISE OPERATIONS

7.1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Superfood Cafes and the importance of complying with all of our standards and specifications relating to the operation of the Superfood Cafe.

7.2 Maintenance of Superfood Cafe

You shall maintain the Superfood Cafe in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, point of sale or computer hardware and software systems), and décor as we may reasonably direct in order to maintain system-wide integrity and uniformity. You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new menu items from the Superfood Cafe or to provide the Superfood Cafe services by alternative means, such as through catering or delivery arrangements. Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Superfood Cafe or its premises without our prior written approval, which shall not be unreasonably withheld.

7.3 Remodeling and Redecorating

To assure the continued success of the Superfood Cafe, you shall, upon our request, remodel and/or redecorate the Superfood Cafe premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Superfood

Cafe to our then-current system-wide standards and specifications. There are no limits on the amount we may require you to expend, or the time periods between remodeling requests by us.

7.4 Approved Suppliers

You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including electronic cash register and computer hardware and software systems) and other products used or offered for sale at the Superfood Cafe. Except as provided in Sections 7.6 and 7.7 with respect to certain materials bearing the Marks and proprietary products, you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Superfood Cafes and who possess adequate quality controls and capacity to supply your needs promptly and reliably; and who have been approved in writing by us prior to any purchases by you from any such supplier; and who have not thereafter been disapproved by us.

If you desire to purchase, lease or use any products or other items from an unapproved supplier, you shall submit to us a written request for such approval, or shall request the supplier itself to do so. We reserve the right to require you to pay to us our then-current fee for evaluation and testing. You shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by us. We shall have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing. We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. Nothing herein shall be construed to require us to approve any particular supplier.

7.5 Operation of Superfood Cafe in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Superfood Cafe in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing. In particular, you also agree:

7.5.1 To sell or offer for sale all menu items, products and services required by us and in the method, manner and style of distribution prescribed by us, including, but not limited to, dine-in and take-out, only as expressly authorized by us in writing in the Manuals or otherwise in writing.

7.5.2 To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by us; to refrain from deviating from our standards and specifications without our prior written consent; and to discontinue selling and offering for sale any menu items, products or services which we may, in our sole discretion, disapprove in writing at any time.

7.5.3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies and paper goods that conform to our standards and specifications; to prepare all menu items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients; and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent.

7.5.4 To permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Superfood Cafe, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications.

7.5.5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), décor items, signs, delivery vehicles, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Superfood Cafe premises, without our prior written consent, any fixtures, furnishings, equipment, delivery vehicles, décor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications. If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution. Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment.

7.5.6 To grant us and our agents the right to enter upon the Superfood Cafe premises and any delivery/catering vehicle, during normal business hours, for the purpose of conducting inspections; to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand.

7.5.7 To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time.

7.5.8 To install and maintain equipment and a telecommunications line in accordance with our specifications to permit us to access and retrieve by telecommunication any information stored on a point of sale system (or other computer hardware and software) you are

required to utilize at the Superfood Cafe premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Superfood Cafe, Gross Receipts and such other information as may be contained or stored in such equipment and software. You shall obtain and maintain Internet access or other means of electronic communication, as specified by us from time to time. It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement. We shall have access as provided herein at such times and in such manner as we shall from time to time specify.

7.5.9 To honor all credit, charge, courtesy gift cards or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices. We may require that you use a designated merchant services provider, as well as participate in any other gift card electronic payment or similar program as we instruct.

7.5.10 To sell or otherwise issue gift cards or certificates (together “Gift Cards”) that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manuals or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Kale Me Crazy® Superfood Cafe. You shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Kale Me Crazy® Superfood Cafes and for making timely payment to us, other operators of Kale Me Crazy® Superfood Cafes, or a third-party service provider for Gift Cards issued from the Superfood Cafe that are honored by us or other Kale Me Crazy® Superfood Cafe operators.

7.6 Proprietary Products

You acknowledge and agree that we and our affiliates have developed, and may continue to develop, for use in the System certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks. Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such products. Accordingly, you agree that if such products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such products solely from us or from a source designated by us. You further agree to purchase from us or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand.

7.7 Advertising and Promotional Materials

You shall require all advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Business), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks.

7.8 Complaints

You shall process and handle all consumer complaints connected with or relating to the Superfood Cafe, and shall promptly notify us by telephone and in writing of all of the following complaints: (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding Five Hundred Dollars (\$500.00), and (iv) any other material claims against or losses suffered by you. You shall maintain for our inspection any governmental or trade association inspection reports affecting the Superfood Cafe or equipment located in the Superfood Cafe during the term of this Agreement and for thirty (30) days after the expiration or earlier termination hereof.

7.9 Power of Attorney for Telephone Listings, etc.

Upon the execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 17.15: (i) all rights to the telephone numbers of the Superfood Cafe and any related and other business listings; and (ii) Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any website or listing on the Internet or World Wide Web without our express written consent, which consent may be denied without reason.

7.10 Power of Attorney for Taxes

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Franchised Business.

7.11 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us: (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or from performing such services and (ii) pay to us, on demand, a prohibited product or service fine equal to Two Hundred Fifty Dollars (\$250) per day for each day such unauthorized or unapproved food, beverage, product, premium, novelty item, clothing, souvenir or service is offered or provided by you after written notice from us. The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law.

7.12 Customer Surveys

You shall participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or

complimentary sales shall not be included in the Gross Receipts of the Superfood Cafe. Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers.

7.13 Mystery Shopper Service

We may designate an independent evaluation service to conduct a “mystery shopper” quality control and evaluation program with respect to Superfood Cafes. You agree that the Superfood Cafe will participate in such mystery shopper program, as prescribed and required by us, provided that Superfood Cafes owned by us, our affiliates and our franchisees also will participate in such program to the extent we have the right to require such participation. We shall have the right to require you to pay the then-current charges imposed by such evaluation service with respect to inspections of the Superfood Cafe, and you agree that you shall promptly pay such charges.

7.14 Pricing

With respect to the offer and sale of all menu and beverage items, we may from time to time offer guidance with respect to the selling price for such goods, products and services or we may determine the maximum selling prices for such menu and beverage items, and you shall be bound to adhere to any such recommended or required pricing. If you elect to sell any or all of your products or merchandise at any price recommended or required by us, you acknowledge that we have made no guarantee or warranty that offering such products or merchandise at the recommended or required price will enhance your sales or profits.

7.15 Franchisor’s Right to Impose Fines for Non-Compliance.

Recognizing the importance of system-wide uniformity and excellence, and with that goal in mind, Franchisor may establish and impose a fine system which fines Franchisee as specified in the Operations Manual for Franchisee’s failure, after notice and an opportunity to correct any failure or deficiency of Franchisee. Fines may range from \$100 to \$1,000 per violation per day, and may be increased for repeated violations by Franchisee.

SECTION VIII **ADVERTISING AND RELATED FEES**

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

8.1 Participation in Advertising

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Superfood Cafes operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of

these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

8.2 Local Advertising

In addition to the ongoing advertising contributions set forth herein and, subject to any allocation of your expenditures for local advertising to the Cooperative as described in Section 8.4 or Advertising Fund as described in Section 8.3, you shall spend, throughout the term of this Agreement, ~~up to~~ one-half of one percent (.5%) of Gross Receipts each month on advertising for the Superfood Cafe in your Territory ("Local Advertising"). We reserve the right to increase this amount on thirty (30) days written notice to you. You shall submit to us, each month, within 15 days of the end of the month, advertising expenditure reports in any form we require, accurately reflecting your Local Advertising expenditures, including verification copies of all advertising and any other information that we require.

8.3 Advertising Fund

We have established and administer an Advertising Fund for the purpose of advertising the System on a regional or national basis (the "Advertising Fund"). You agree to contribute to the Advertising Fund as described in Section 4.3 above. You agree that the Advertising Fund shall be maintained and administered by us or our designee as follows:

8.3.1 We shall direct all advertising programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Advertising Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Superfood Cafes operating under the System. We shall, with respect to Superfood Cafes operated by us, contribute to the Advertising Fund generally on the same basis as you. In administering the Advertising Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. We shall be entitled to reimbursement from the Advertising Fund for our reasonable expenses in managing the Advertising Fund.

8.3.2 You agree that the Advertising Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; internet marketing; public relations activities; employing advertising agencies to assist therein; development and maintenance of our website; and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us). All sums paid by you to the Advertising Fund shall be maintained in a separate account by us and may be used to defray our expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Advertising Fund and advertising programs for franchisees and the System. The Advertising Fund and its earnings shall not otherwise inure to our benefit. The Advertising Fund is operated solely as a conduit for collecting and expending the advertising fees as outlined above.

8.3.3 Any monies remaining in the Advertising Fund at the end of any year will carry over to the next year. Although the Advertising Fund is intended to be of perpetual duration, we may terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all monies in the Advertising Fund have been expended for advertising or promotional purposes or returned to contributing Franchised Businesses or those operated by us, without interest, on the basis of their respective contributions.

8.3.4 If we elect to terminate the Advertising Fund, we may, in our sole discretion, reinstate the Advertising Fund at any time. If we so choose to reinstate the Advertising Fund, said reinstated Advertising Fund shall be operated as described herein.

8.4 Cooperative Funds

We may, in our discretion, create a regional advertising cooperative in any area, or we may approve the creation of such an advertising cooperative by franchisees in the System, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located. In no event may the Superfood Cafe be required to be a member of more than one cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto not to exceed two percent (2%) of such member's Gross Receipts. You shall contribute such amounts at the times and in the manner as determined by the Cooperative members. Any funds contributed to a regional advertising cooperative will be credited against your obligation to pay for Local Advertising as set forth in Section 8.2 above; provided, however, that if your contributions to a Cooperative are less than your Local Advertising requirement, you shall nevertheless spend the difference locally. The following provisions apply to each cooperative:

(a) the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing;

(b) the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in Local Advertising within the Cooperative's area;

(c) the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement;

(d) except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for Local Advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Superfood Cafe having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than twenty-five percent (25%) of the vote in the Cooperative regardless of the number of franchised businesses owned;

(e) without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 8.5;

(f) the Cooperative may require its members to periodically contribute to it in such amounts as it determines, subject to the limit set forth in the first paragraph of this Section 8.4;

(g) no later than the fifteenth (15th) day of each month, each member/franchisee must submit its contribution under Section 8.4(f) for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval; and

(h) if an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members.

8.5 Conduct of Advertising; Our Approval

All advertising and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the twelve (12) months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have fifteen (15) days to notify you of our approval or disapproval of such materials. If we fail to provide you with a written approval within fifteen (15) days after we receive your sample of advertising, sales and marketing materials, the material will be deemed not approved. . Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent.

We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by a Cooperative, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website.

8.6 Grand Opening Advertising

In addition to the ongoing advertising contributions set forth herein, you shall be required to spend Twenty-five hundred Dollars (\$2,500) on a grand opening advertising campaign to advertise the opening of the Superfood Cafe. The grand opening advertising campaign shall be conducted in the sixty (60) day period comprising thirty (30) days prior to and thirty (30) days following the Superfood Cafe's opening. All advertisements proposed to be used in the grand opening advertising campaign are subject to our review and approval in the manner set forth in this Article VIII.

8.7 Internet/World Wide Web/Websites

As used in this Agreement, the term “Website” means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, Internet and World Wide Web home pages. No advertising or promotion by Franchisee shall be conducted on or through the Internet/world wide web or other electronic transmission via computer without express prior written approval by Franchisor, including all social media sites. Franchisee shall monitor and control its employees so they make no social media postings using the Marks without obtaining Franchisor’s prior written approval. We may, in our sole discretion, grant you the right to post or operate your own Instagram pages. You shall not, through Instagram, offer any discounts we have not approved, nor any inappropriate content, which we may determine, in our sole discretion. In connection with any Website, you agree to the following:

8.7.1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, Kale Me Crazy® Superfood Cafes and any or all of the products offered at Superfood Cafes, the franchising of Kale Me Crazy® Superfood Cafes, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

8.7.2 We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Franchised Business, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

8.7.3 You shall not establish a separate Website related to the Proprietary Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed “advertising” under this Agreement, and will be subject to (among other things) our approval under this Article VIII.

8.7.4 We shall have the right to modify the provisions of this Section 8.7 relating to Websites as we shall solely determine is necessary or appropriate.

8.7.5 You understand and agree that you may not promote your Superfood Cafe or use any Proprietary Mark in any manner on social and/or networking Websites, including, but not limited to, Facebook, LinkedIn, Tik Tok, Instagram, and Twitter, without our prior written consent.

8.7.6 While no Franchisees currently utilize customer email marketing, should you chose to use that marketing method, all marketing must be done in a professional manner,

through a vendor we have approved. We reserve the right to grant or deny permission for any email campaign, in our sole discretion.

SECTION IX

MARKS

9.1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications.

9.2 Ownership of Marks; Limited License

You expressly understand and acknowledge that:

9.2.1 We are the owner or the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them. All references herein to our rights and interest in the Marks shall be deemed to include the owner's rights and interest in the Marks.

9.2.2 Neither you nor any Controlling Principal shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks. Nothing in this Agreement shall give the you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Superfood Cafe and only at or from its accepted location or in approved advertising related to the Superfood Cafe.

9.2.3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing. You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks.

9.2.4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks.

9.2.5 You shall not contest the validity of or our interest in the Marks or assist others to contest the validity of or our interest in the Marks.

9.2.6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our rights in the Marks and a material event of default hereunder. You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks,

including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks.

9.2.7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us. We shall not have any obligation in such event to reimburse you for your documented expenses of compliance. You waive any other claim arising from or relating to any Mark change, modification or substitution. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages.

9.3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that:

9.3.1 Unless otherwise authorized or required by us, you shall operate and advertise the Superfood Cafe only under the name “Kale Me Crazy®” without prefix or suffix. You shall not use the Marks as part of your corporate or other legal name, and shall obtain our approval of such corporate or other legal name prior to filing it with the applicable state authority.

9.3.2 During the term of this Agreement and any renewal hereof, you shall identify yourself as the independent owner of the Superfood Cafe in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Superfood Cafe or any delivery vehicle as we may designate in writing.

9.3.3 You shall not use the Marks to incur any obligation or indebtedness on our behalf;

9.3.4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

9.4 Notification of Infringement or Claim

You shall notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and the Controlling Principals shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim. We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably

be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks. We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that the conduct of you and the Controlling Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement.

9.5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article I:

9.5.1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;

9.5.2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you; and

9.5.3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by us.

SECTION X **CONFIDENTIALITY AND NON-COMPETITION COVENANTS**

10.1 Confidential Operations Manuals

10.1.1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business.

10.1.2 You and the Controlling Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as a trade secret and confidential in accordance with this Article X. You and the Controlling Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Superfood Cafe. You and the Controlling Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above.

10.1.3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Superfood Cafe premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement.

10.1.4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement.

10.1.5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business. You shall remove and return to us all pages of the Manual that have been replaced or updated by us, if we provide the Manual to you in hard copy format. You expressly agree to comply with each new or changed standard.

10.1.6 You shall at all times ensure that the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control.

10.2 Confidential Information

10.2.1 Neither you nor any Controlling Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to them or of which they may be apprised in connection with the operation of the Superfood Cafe under the terms of this Agreement. You and the Controlling Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Superfood Cafe. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement shall be deemed confidential for purposes of this Agreement. Neither you nor the Controlling Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenants in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Controlling Principals.

10.2.2 You shall require and obtain the execution of covenants similar to those set forth in Section 10.2.1 from your General Manager and all other of your personnel who have received or will have access to confidential information. Such covenants shall be substantially in the form set forth in Attachment D. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants.

10.2.3 If you, the Controlling Principals, the General Manager or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Superfood Cafe, you are required to promptly notify us and provide us with all

necessary related information, without compensation. You and the Controlling Principals acknowledge that any such concept, process, product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate.

10.3 Non-Competition

10.3.1 You and the Controlling Principals specifically acknowledge that, pursuant to this Agreement, you and the Controlling Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees. You and the Controlling Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Superfood Cafe, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement. In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Controlling Principals and your managers and employees), you and the Controlling Principals covenant that with respect to you, during the term of this Agreement (or with respect to each of the Controlling Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of “Controlling Principals” as described in Section 19.18 of this Agreement), except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Controlling Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Superfood Cafe, including a food service business which offers and sells the same or similar food products (a “Competitive Business”).

10.3.2 With respect to you, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your interest in, this Agreement (or, with respect to each of the Controlling Principals, commencing upon the earlier of: (i) the expiration, termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of “Controlling Principals” as described in Section 19.18

of this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Controlling Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by us, or by any other franchisee or multi-unit operator of ours, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be permitted under any existing multi-unit operator agreement or franchise agreement between us and you.

(c) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Business, which business is, or is intended to be, located within a ten (10) mile radius of the location of any Superfood Cafe in the System or of the outer boundaries of your Territory.

10.3.3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests. The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Controlling Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

(a) You and the Controlling Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 10.3, or any portion thereof, without their consent, effective immediately upon notice to you; and you and the Controlling Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 19.2 hereof.

(b) You and the Controlling Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section.

(c) Sections 10.3.1(b) and 10.3.2(c) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation.

10.3.4 You shall require and obtain execution of covenants similar to those set forth in this Section 10.3 (including covenants applicable upon the termination of a person's employment with you) from your General Manager and all other of your personnel who have received or will have access to training from us. Such covenants shall be substantially in the form set forth in Attachment D. All of your Principals not required to sign this Agreement as a Controlling Principal also must execute such covenants. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to decrease the period of time or geographic scope of the non-competition covenant set forth in Attachment D or eliminate such non-competition covenant altogether for any party that is required to execute such agreement under this Section 10.3.4.

10.4 Failure to Comply

You and the Controlling Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material event of default under Article XVII hereof. You and the Controlling Principals acknowledge that a violation of the terms of this Section would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Controlling Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Controlling Principals in violation of the terms of this Section. You and the Controlling Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section.

SECTION XI **BOOKS AND RECORDS**

11.1 Books and Records

You shall maintain during the term of this Agreement, and shall preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing.

11.2 Reports

In addition to the remittance reports required by Article IV hereof, you shall comply with the following reporting obligations:

11.2.1 You shall, at your expense, submit to us, in the form prescribed by us, a profit and loss statement for each month (which may be unaudited) for you within fifteen (15) days after the end of each month during the term hereof. Each such statement shall be signed by your treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct;

11.2.2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) for you prepared by an independent certified public accountant, within ninety (90) days after the end of each fiscal year during the term hereof, showing the results of operations of you during such fiscal year; we reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of payments due to us of three percent (3%) or more in any report, pursuant to Section 11.3; and

11.2.3 You shall also submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Franchised Business, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing.

11.3 Inspections; Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Superfood Cafe. You shall make such books and records available to us or our designees immediately upon request. If any required royalty or other payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4.5. If an inspection discloses an understatement in any report of three percent (3%) or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). These remedies shall be in addition to any other remedies we may have at law or in equity.

11.4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any royalty checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you.

11.5 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Superfood Cafe. You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

11.6 We are Attorney-in-Fact

Notwithstanding any forms and documents which may have been executed by you under Section 7.10, you hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business. This power of attorney shall survive the expiration or termination of this Agreement.

SECTION XII **INSURANCE**

12.1 You shall procure, upon execution of this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Superfood Cafe.

12.2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, the following:

12.2.1 General and professional liability in the amount of One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) aggregate limit.

12.2.2 “All Risks” coverage for the full cost of replacement of the Superfood Cafe premises and all other property in which Franchisor may have an interest with no coinsurance clause for the premises.

12.2.3 Business Interruption insurance in a sufficient amount to cover profit margins, maintenance of competent and desirable personnel and fixed expenses for a period of at least ninety (90) days.

12.2.4 Worker’s compensation insurance in amounts provided by applicable law (but not less than Five Hundred Thousand Dollars (\$500,000) per occurrence) or, if permissible under applicable law, a legally appropriate alternative providing substantially similar compensation for injured workers reasonably satisfactory to us.

12.2.5 Such other insurance as may be required by the state or locality in which the Superfood Cafe is located and operated or as may be required by the terms of the lease for the Superfood Cafe.

12.2.6 You may, with our prior written consent, which consent may be withheld or denied, elect to have reasonable deductibles in connection with the coverages required herein. Such policies shall also include a waiver of subrogation in favor of us, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees.

12.3 In connection with any construction, renovation, refurbishment or remodeling of the Superfood Cafe, you shall maintain Builder's Risks/installation insurance in forms and amounts, and written by a responsible, duly licensed carrier or carriers, reasonably satisfactory to us.

12.4 Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article XV of this Agreement.

12.5 All general liability and property damage policies shall contain a provision that we, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents or employees by reason of the negligence of you or your servants, agents or employees.

12.6 Not later than thirty (30) days before the Superfood Cafe initially opens for business, and thereafter thirty (30) days prior to the expiration of any such policy, you shall deliver to us Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by us, you shall deliver to us a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder, with the exception of workers' compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions. Further, all insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies.

12.7 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have at law or in equity.

12.8 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against your insurance policies.

12.9 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Superfood Cafe, and you agree to comply with any such changes, at your expense.

SECTION XIII **DEBTS AND TAXES**

13.1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this Agreement. Without limiting the provisions of Article XV, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority.

The term “Taxes” means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, or the exercise of rights granted pursuant to this Agreement.

13.2 Payments to Us

Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes.

13.3 Tax Disputes

In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon.

13.4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation.

13.5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree

of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

SECTION XIV

TRANSFER OF INTEREST

14.1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of “Kale Me Crazy Franchising, Inc.” as Franchisor. Nothing contained in this Agreement shall require us to remain in the superfood cafe business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

14.2 Transfer by You

14.2.1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Controlling Principals. Accordingly, neither you nor any Controlling Principal, nor any successor or assignee of you or any Controlling Principal, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Superfood Cafe and/or any of the Superfood Cafe’s material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), in you or in any Controlling Principal that is an entity, in each case without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement.

14.2.2 If you wish to transfer all or part of your interest in the Superfood Cafe, any of the Superfood Cafe’s material assets (except as provided in Section 14.2.1 above) or this Agreement, or if you or a Controlling Principal wishes to transfer or permit a transfer of any ownership interest in you or in a Controlling Principal that is an entity, then in each such case (any

or all of which are referred to in this Article XIV as a “Restricted Transfer”), transferor and the proposed transferee shall apply to us for our consent. We shall not unreasonably withhold our consent to a Restricted Transfer. We may, in our sole discretion, require any or all of the following as conditions of our approval:

(a) All of the accrued monetary obligations of you or any of your affiliates and all other outstanding obligations to us arising under this Agreement or any other agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction:

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations;

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee’s application for a franchise, including, but not limited to, our educational, managerial and business standards; transferee’s good moral character, business reputation and credit rating; transferee’s aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise); transferee’s financial resources and capital for operation of the business; and the geographic proximity and number of other Superfood Cafes owned or operated by transferee;

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation or a partnership, transferee’s shareholders, partners or other investors, as applicable, shall execute such agreement as transferee’s principals and guarantee the performance of all such obligations, covenants and agreements;

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and other ancillary agreements as we may require for the Superfood Cafe, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then-current System-wide percentage royalty fee, advertising contribution or expenditure requirement; provided, however, that the transferee shall not be required to pay any initial franchise fee;

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Superfood Cafe and, if applicable, any delivery vehicles to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us;

(h) The transferor shall remain liable for all of the obligations to us in connection with the Superfood Cafe incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(i) At the transferee's expense, the transferee, the transferee's general manager and/or any other applicable Superfood Cafe personnel shall complete any training programs then in effect for franchisees of Superfood Cafes upon such terms and conditions as we may reasonably require;

(j) You shall pay to us a transfer fee equal to ten percent (10%) of our then-current initial franchise fee to reimburse us for reviewing the application to transfer, including, without limitation, training expenses, legal and accounting fees;

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article VI as we request. Transferee shall provide to us evidence satisfactory to us that the terms of such Section have been satisfied and are true and correct on the date of transfer; and

(l) The transferee must agree to assume all liability to the holders of gift cards sold at that Superfood Café, unless the transferor has made acceptable (to us, in our sole discretion) arrangements for that liability to be assumed by our corporate gift card pooling account.

14.2.3 You shall not grant a security interest in the Superfood Cafe or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

14.2.4 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

14.3 Transfer to a Corporation or Limited Liability Company

In the event the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Section 14.2.2, except that the requirements set forth at Sections 14.2.2(c), 14.2.2(d), 14.2.2(f), 14.2.2(g), 14.2.2(i), 14.2.2(j) and 14.2.2(k) shall not apply. With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than one (1) individual, each

individual shall have the same proportionate ownership interest in the corporation as he had in you prior to the transfer. A transfer under this Section 14.3 may occur one (1) time only.

14.4 Our Right to Purchase Business

14.4.1 If you wish to transfer all or part of your interest in the Superfood Cafe or this Agreement or if you or a Controlling Principal wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article XIV, with respect to a proposed transfer.

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require. We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the "Offer Terms"). In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. Our failure or refusal to exercise the option afforded by this Section 14.4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article XIV with respect to a proposed transfer.

(b) Notwithstanding the provisions of Section 14.4.1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior twenty-four (24) month period) results in a "Change of Control", we may elect, in our sole discretion, to treat the notice given pursuant to such Section 14.4.1(a) as an offer to assign to us all of your rights under this Agreement and to the Superfood Cafe (including lease and contract rights and other assets of you and your affiliates used in connection with the Superfood Cafe, excluding the assets of your benefit plans) (collectively, the "Superfood Cafe Interests"). As used in this Section 14.4.1(b), Change of Control means any circumstance resulting in one or more of your Controlling Principals ceasing to be a Principal and/or the addition of any new Principal.

In such case, we shall notify you of the special election provided for in this Section 14.4.1(b) at the time we exercise our option as provided in Section 14.4.1(a). The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Section 14.4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Superfood Cafe Interests, determined in a manner consistent with Section 18.11.1. As used herein, “Implied Market Price” shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Section 18.11.1) of any assets included in the Restricted Transfer that are not related to the Superfood Cafe. If you have more than one (1) Superfood Cafe, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Superfood Cafes equally.

(c) We may assign our rights under this Section 14.4 to any other person or entity, subject to Section 14.1 above.

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article XIV to perform all of the obligations imposed on such persons under this Article XIV.

14.4.2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us.

14.4.3 Failure to comply with the provisions of this Section prior to the transfer of any interest in you, the Superfood Cafe or this Agreement shall constitute a material event of default under this Agreement.

14.5 Death or Disability

14.5.1 Upon your death (if you are a natural person) or upon the death of any Controlling Principal who is a natural person and who has an interest in this Agreement, the Superfood Cafe or you (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within twelve (12) months after the death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within twelve (12) months after the death of the Deceased.

14.5.2 Upon your permanent disability (if you are a natural person) or upon the permanent disability of any Controlling Principal who is a natural person and who has an interest in this Agreement, the Superfood Cafe or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article XIV within six (6) months after notice to you. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 14.5. The costs of any examination required by this Section shall be paid by us.

14.5.3 Upon the death or claim of permanent disability of you or any Controlling Principal, you or a representative of yours must notify us of such death or claim of permanent disability within ten (10) days of its occurrence. Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Section for any inter vivos transfer. If an interest is not transferred upon death or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement.

14.5.4 In order to prevent any interruption of the Superfood Cafe operations which would cause harm to the Superfood Cafe, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Superfood Cafe to our required standards, operate the Superfood Cafe for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Superfood Cafe during such period of operation by us shall be kept in a separate account, and the expenses of the Superfood Cafe, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Superfood Cafe franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

14.6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee.

14.7 Public Offering

Securities or partnership interests in you may be offered to the public (a “public offering”) only with our prior written consent, which consent may be withheld in our sole and absolute discretion. As a condition of our approval to such offering, we may, in our sole and absolute discretion, require that immediately after such offering that you and the Controlling Principals

retain a Controlling Interest in you. For the purpose of this Agreement, “Controlling Interest” shall mean: (a) if you are a corporation, that the Controlling Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of the issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if you are a partnership, that the Controlling Principals (i) own at least a fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least a fifty-one percent (51%) ownership interest in the partnership (and at least a fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

14.8 Review of Public Offering Materials by Us

All materials required for a public offering by federal or state law shall be submitted to us for a limited review as discussed below prior to being filed with any governmental agency; and any materials (including any private placement memoranda) to be used in any exempt offering or private placement shall be submitted to us for such review prior to their use. No Franchisee offering (public or private) shall imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance or offering of securities of you or us, and our review of any offering materials shall be limited solely to the subject of the relationship between you and us. We may, at our option, require your offering materials to contain a written statement prescribed by us concerning the limitations described in the preceding sentence. You, your Controlling Principals and the other participants in the offering must fully indemnify us, our affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in connection with the offering. For each proposed public or private offering, you shall reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. You shall give us written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by Section 14.7.

14.9 Transfer Among Owners

If any person holding an interest in you, this Agreement or the Superfood Cafe (other than you or a Controlling Principal, which parties shall be subject to the provisions set forth above) transfers such interest, then you shall promptly notify us of such proposed transfer in writing and shall provide such information relative thereto as we may reasonably request prior to such transfer. Such transferee may not be a competitor of ours. Such transferee will be your Principal and as such will have to execute a confidentiality agreement and ancillary covenants not to compete in the form then required by us, which form shall be in substantially the same form attached hereto as Attachment D (see Sections 10.2.2 and 10.3.4). We also reserve the right to designate the transferee as one of the Controlling Principals. Notwithstanding the provisions contained in Section 14.2 to the contrary, the Controlling Principals may freely transfer their ownership interests in you among themselves and to their family members (or to trusts for the benefit of such

family members), and our right of first refusal shall be inapplicable with respect to such transfers, provided you provide us with thirty (30) days prior written notice of such transfer, which notice shall include the names and percentages transferred.

SECTION XV

INDEMNIFICATION

15.1 Indemnification by You

You and each of the Controlling Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them (“Indemnitees”), from all “losses and expenses” (as defined in Section 15.4.2 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

15.1.1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Controlling Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks, any copyrights or other proprietary information granted hereunder pursuant to Article X.);

15.1.2 The violation, breach or asserted violation or breach by you or any of the Controlling Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

15.1.3 Libel, slander or any other form of defamation of us, the System or any multi-unit operator or franchisee operating under the System, by you or by any of the Controlling Principals;

15.1.4 The violation or breach by you or by any of the Controlling Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees; and

15.1.5 Acts, errors, or omissions of you, any of your affiliates and any of the Controlling Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Superfood Cafe, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle. The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility.

15.2 Notification of Action or Claim

You and each of the Controlling Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of you and each of the Controlling Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Controlling Principals to indemnify the Indemnitees and to hold them harmless.

15.3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that:

15.3.1 any of the acts or circumstances enumerated in Section 15.1.1 through 15.1.4 above have occurred; or

15.3.2 any act, error, or omission as described in Section 15.1.5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property.

15.4 Losses and Expenses

All losses and expenses incurred under this Article XV shall be chargeable to and paid by you or any of the Controlling Principals pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

As used in this Article XV, the phrase “losses and expenses” shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys’ fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

15.5 Indemnitees Do Not Assume Liability

The Indemnitees do not hereby assume any liability whatsoever for acts, errors, or omissions of any third party with whom you, any of the Controlling Principals, your affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you or your affiliates may contract, regardless of the purpose. You

and each of the Controlling Principals shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of you, the Controlling Principals, your affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the negligence of us or any other party or parties arising in connection therewith and whether such negligence be sole, joint or concurrent, or active or passive.

15.6 Recovery from Third Parties

Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of the Controlling Principals. You and each of the Controlling Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of the Controlling Principals by the Indemnitees.

15.7 Survival of Terms

You and the Controlling Principals expressly agree that the terms of this Article XV shall survive the termination, expiration or transfer of this Agreement or any interest herein.

SECTION XVI **RELATIONSHIP OF THE PARTIES**

16.1 No Relationship

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose.

16.2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Superfood Cafe operations pursuant to the rights granted by us. You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Superfood Cafe premises established for the purposes hereunder or on any delivery vehicle and on all letterhead, business cards, forms, and as further described in the Manuals. We reserve the right to specify in writing the content and form of such notice.

16.3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom.

SECTION XVII **TERMINATION**

17.1 Automatic Termination – No Right to Cure

17.1.1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours; that non-performance of such obligations will adversely and substantially affect us and the System; and that our exercise of the rights and remedies set forth herein is appropriate and reasonable.

17.1.2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

17.1.3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events:

(a) If you operate the Superfood Cafe or sell any products or services authorized by us for sale at the Superfood Cafe at a location which has not been approved by us;

(b) If you fail to acquire an accepted location for the Superfood Cafe within the time and in the manner specified in Article II;

(c) If you fail to construct or remodel the Superfood Cafe in accordance with the plans and specifications provided to you under Section 5.3 as such plans may be adapted with our approval in accordance with Section 2.5;

(d) If you fail to open the Superfood Cafe for business within the period specified in Section 2.6 hereof;

(e) If you at any time cease to operate or otherwise abandon the Superfood Cafe, or lose the right to possession of the premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the Superfood Cafe is located; provided, however,

that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within thirty (30) days after such event, for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation; such approval may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Superfood Cafe is not in operation;

(f) If you or any of the Controlling Principals are convicted of, or have entered a plea of nolo contendere to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Superfood Cafe;

(h) If you or any of the Controlling Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Superfood Cafe to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article XIV of this Agreement;

(i) If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply);

(j) If you or any of the Controlling Principals fail to comply with the in-term covenants in Section 10.3 hereof or you fail to obtain execution of the covenants and related agreements required under Section 10.3.4 hereof within thirty (30) days following notice from us;

(k) If, contrary to the terms of Section 10.2.1 hereof, you or any of the Controlling Principals disclose or divulge any confidential information provided to you or the Controlling Principals by us, or fail to obtain execution of covenants and related agreements required under Section 10.2.2 hereof within thirty (30) days following notice from us;

(l) If a transfer upon death or permanent disability is not transferred in accordance with Article XIV and within the time periods therein;

(m) If you knowingly maintain false books or records, or submit any false reports to us;

(n) If you breach in any material respect any of the covenants in any material respect set forth in Article VI or have falsely made any of the representations or warranties set forth in Article VI;

(o) If you fail to propose a qualified replacement or successor General Manager within the time required under Section 6.3.4 following ten (10) days prior written notice;

(p) If you fail to procure and maintain the insurance policies required by Article XII and you fail to cure such default within ten (10) days following notice from us;

(q) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have twenty-four (24) hours to cure such default;

(r) If you or any of the Controlling Principals commit three (3) material events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(s) If your General Manager is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement General Manager; and

(t) If you fail to comply with all applicable laws and ordinances relating to the Superfood Cafe, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.

17.2 Notice of Termination – 30 Days to Cure

Except as provided in Sections 17.1.2 and 17.1.3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination. However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the thirty (30) day period and by promptly providing proof thereof to us. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

17.2.1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us, or fail to carry out the terms of this Agreement in good faith.

17.2.2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing.

17.2.3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement.

17.3 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

17.4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article XVII, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your Superfood Cafe's web page on our Website, until such time as you correct the breach.

SECTION XVIII **POST-TERMINATION**

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and:

18.1 Cease Operations

You shall immediately cease to operate the Superfood Cafe under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours.

18.2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System; the mark “Kale Me Crazy®”; and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items.

18.3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark “Kale Me Crazy®” or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

18.4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

18.5 Payment of Sums Owed

You and your Controlling Principals shall promptly pay all sums owing to us. Such sums shall include all damages, costs and expenses, including reasonable attorneys’ fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default.

18.6 Payment of Damages, Costs and Expenses

You and the Controlling Principals shall pay to us all damages, costs and expenses, including reasonable attorneys’ fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article XVIII.

18.7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us, records, files, instructions, correspondence, all materials related to operating the Superfood Cafe, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Superfood Cafe in your possession or control, and all copies thereof (all of which are

acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

18.8 Confidential Information

You and the Controlling Principals shall comply with the restrictions on confidential information contained in Article X of this Agreement and shall also comply with the non-competition covenants contained in Article X. Any other person required to execute similar covenants pursuant to Article X shall also comply with such covenants.

18.9 Advertising and Promotional Materials

You shall also immediately furnish us with an itemized list of all advertising and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location. We shall have the right to inspect these materials. We shall have the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials. Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us.

18.10 Assignment to Us

Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Superfood Cafe are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein.

18.11 Assignment of Lease

If you operate the Superfood Cafe under a lease for the Superfood Cafe premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our option, assign to us any interest which we have in any lease or sublease for the premises of the Superfood Cafe or any equipment related thereto. We may exercise such option at or within thirty (30) days after either termination or (subject to any existing right to renew) expiration of this Agreement. In the event we do not elect to exercise our option to acquire the lease or sublease for the Superfood Cafe premises or do not have such option, you shall make such modifications or alterations to the Superfood Cafe premises as are necessary to distinguish the appearance of the Superfood Cafe from that of other Superfood Cafes operating under the System and shall make such specific additional changes as we may reasonably request. If you fail or refuse to comply with the requirements of this Section 18.11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand. Notwithstanding the provisions of this Section 18.11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns

from any liability arising out of the lease for the Superfood Cafe premises from and after the date of the assignment of lease.

18.12 Our Right to Purchase

18.12.1 Except as provided in Sections 18.9, 18.10 and 18.13, we shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any electronic cash register or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Superfood Cafe, at fair market value. We shall be purchasing your assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees. If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash.

18.12.2 In addition to the options described above and if you own the Superfood Cafe premises, then we shall have the option, to be exercised at or within thirty (30) days after termination or expiration of this Agreement, to purchase the Superfood Cafe premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. We shall purchase assets only and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If you do not own the land on which the Superfood Cafe is operated and we exercise our option for an assignment of the lease, we may exercise this option for the purpose of purchasing the building if owned by you and related assets as described above. If the parties cannot agree on fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above.

18.12.3 With respect to the options described in Sections 18.11, 18.12.1 and 18.12.2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.12.4 The time for closing of the purchase and sale of the properties described in Sections 18.12.1 and 18.12.2 shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. The time for closing on the assignment of the lease described in

Section 18.11 shall be a date no later than ten (10) days after our exercise of the option thereunder unless we are exercising our options under either Section 18.12.1 or 18.12.2, in which case the date of the closing shall be on the same closing date prescribed for such option. Closing shall take place at our corporate offices or at such other location as the parties may agree.

18.13 Superfood Cafe Assets

Notwithstanding anything to the contrary contained in Sections 18.11 and 18.12, if you operate the Superfood Cafe from a premises that is subleased to you by us, upon termination (or expiration if you do not renew) of this Agreement, we shall have the right to take immediate possession of the assets of the Superfood Cafe, including, any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Superfood Cafe. We shall have a lien against all such assets in the amount of any amounts due to us under this Agreement or any other agreement. We shall have the right to have such assets appraised at the lower of cost or fair market value of the used assets, and to acquire all right, title and interest to such assets, without conducting any public sale, by paying to you (or to any lender of yours who has a lienholder interest in the assets) the difference between the appraised value and the amounts owed to us by you at the time of termination. If the lien on the assets from your lender has priority over any lien of ours, and the amount of the lien is in excess of the appraised value of such assets, we shall have the right to deal directly with your lienholder, and to pay any amounts due to you directly to the lienholder. You agree to provide all further assurances, and to execute all documents required by us or by law to lawfully effect such transfer, and to perfect our security interest. We shall have the right to take such action without the execution of any further documents by you if you fail or refuse to comply with these further assurances.

18.14 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Section to any other party, without your consent.

18.15 Telephone Numbers, Yellow Pages Listings, etc.

You, at our option, shall assign to us all rights to the telephone numbers of the Superfood Cafe and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. Further, you shall assign to us all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents which may have been executed under Section 7.9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you.

18.16 Liquidated Damages

If we terminate this Agreement with cause, you must pay us liquidated damages in the amount of \$10,000.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

SECTION XIX **MISCELLANEOUS**

19.1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by overnight delivery service to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Kale Me Crazy Franchising, Inc.
3167 Peachtree Rd Suite F
Atlanta, Georgia 30305
Attention: President

With a copy to: Michael S. Rosenthal, Esq.
Taylor English Duma LLP
1600 Parkwood Circle Suite 200
Atlanta, Georgia 30339

Notices to Franchisee and
the Controlling Principals: _____

Attention: _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.

19.2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Controlling Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Controlling Principals; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

19.3 No Waiver

No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or the Controlling Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Controlling Principals, or as to a subsequent breach or default by you or the Controlling Principals. Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Controlling Principals of any terms, provisions, covenants or conditions of this Agreement.

19.4 Our Prior Approval

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing.

19.5 No Warranty or Guaranty

We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

19.6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Section 17.1.3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article XV. Except as provided in Section 17.1.3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure. Upon the occurrence of any event of the type referred to herein, the

party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused.

19.7 Mediation and Arbitration

19.7.1 We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 19.7.3. If we and you cannot agree on a location, the mediation will be conducted in Atlanta, Georgia. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

19.7.2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 19.7.3.

19.7.3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Georgia under the authority of the Georgia Arbitration Act. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted under the auspices of the American Arbitration Association utilizing its Commercial Arbitration Rules. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Georgia Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.8 Governing Law; Injunctive Relief

With respect to any claims, controversies or disputes which are not finally resolved through mediation or arbitration, or as otherwise provided above, you and the Controlling Principals hereby

irrevocably submit themselves to the jurisdiction of the state courts of Fulton County, Georgia and the Federal District Court nearest to our headquarters. You and the Controlling Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and the Controlling Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Georgia or federal law. You and the Controlling Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be Fulton County, Georgia; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Georgia law.

Notwithstanding anything to the contrary contained in Section 19.7 above, we and you each have the right, in a proper case, to seek injunctions, restraining orders and orders of specific performance from a court of competent jurisdiction, provided that we agree to contemporaneously submit the dispute for arbitration on the merits as provided herein.

You agree that we will not be required to post a bond to obtain any injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction if warranted upon due hearing. All claims for damages by reason of the wrongful issuance of such injunction are hereby expressly waived. If we secure any such injunction or order of specific performance, you agree to pay to us an amount equal to the aggregate of our costs of obtaining such relief including, without limitation, reasonable legal fees, costs and expenses as provided in this Section and any damages incurred by us as a result of the breach of any such provision.

19.9 Agreement Regarding Governing Law and Choice of Forum

You, the Controlling Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.8 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, the Controlling Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.10 Acceptance of Agreement

You, the Controlling Principals and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Fulton County, Georgia, and further acknowledge that the performance of certain obligations of yours arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Fulton County, Georgia.

19.11 Waiver of Punitive Damages

You, the Controlling Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim of any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

19.12 Execution in Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

19.13 Captions

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

19.14 Survival of Terms

Any obligation of you or the Controlling Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Controlling Principals therein, shall be deemed to survive such termination, expiration or transfer.

19.15 Severability of Provisions

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

19.16 Joint and Several Obligations

All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Controlling Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Controlling Principals.

19.17 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall 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 any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Article XVII of this Agreement shall not discharge or release you or any of the Controlling Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

19.18 Terminology

The term “your Principals” shall include, collectively and individually, (1) your spouse, if you are an individual, (2) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of you and (3) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of any Controlling Principal that itself is an entity, in each case whom we designate as your Principals and all holders of an ownership interest in you and of any entity directly or indirectly controlling you, and any other person or entity controlling, controlled by or under common control with you. As used in this Section 19.18, the terms “control” and “controlling” shall mean the power to influence the management decisions of the specified person and shall in any case be deemed to exist where the second person holds ten percent (10%) or more of the total ownership interest in the specified person, serves on any board of directors or comparable body of such specified person or acts as an officer, general partner or manager thereof (or holds a comparable position in a non-corporate entity). The initial Principals shall be listed on Attachment C. The term “Controlling Principals” shall include, collectively and individually, any Principal who has been designated by us as a Controlling Principal hereunder. For purposes of this Agreement, a publicly held corporation is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

19.19 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

19.20 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article XIV), any rights or remedies under or as a result of this Agreement.

19.21 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours.

19.22 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder.

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any

claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

19.23 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

19.24 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

SECTION XX **TECHNOLOGY**

20.1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system:

20.1.1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Kale Me Crazy® Superfood Cafes, including without limitation: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Kale Me Crazy® Superfood Cafes, between or among Superfood Cafes, and between and among the Franchised Superfood Cafe and us and/or you; (b) Point of Sale Systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival backup systems; and (f) internet access mode and speed (collectively, the “Computer System”).

20.1.2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System (“Required Software”), which you shall install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record data; and (d) the database file structure of your Computer System.

20.1.3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing (“Point of Sale Systems”), which shall be deemed part of your Computer System.

20.1.4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, “Computer Upgrades”).

20.1.5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us.

20.2 Data

We may, from time to time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Superfood Cafe, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Superfood Cafe, and all data created or collected by you in connection with the System, or in connection with your operation of the Superfood Cafe (including without limitation data pertaining to or otherwise concerning the Superfood Cafe’s customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or

originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

20.3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“Privacy”), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

20.4 Telecommunications

You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet (as defined below), if any, and/or such other computer systems as we may reasonably require.

20.5 Extranet

We may establish a website providing private and secure communications between us, you, franchisees, licensees and other persons and entities as determined by us, in our sole discretion (an “Extranet”). You shall comply with our requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet, and utilizing the Extranet in connection with the operation of the Superfood Cafe. The Extranet may include, without limitation, the Manuals, training other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall purchase and maintain such computer software and hardware as may be required to connect to and utilize the Extranet.

20.6 On-line Use of Proprietary Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements.

20.7 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services. Our consideration of any proposed outsourcing vendor(s) may be

conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us.

20.8 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards established by us as if this Article XX were periodically revised by us for that purpose. You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades.

SECTION XXI **SECURITY INTERESTS**

21.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Superfood Cafe, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Superfood Cafe. All items in which a security interest is granted are referred to as the "Collateral".

21.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

21.2.1 All amounts due under this Agreement or otherwise by you;

21.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

21.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

21.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

21.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

21.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

21.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Georgia (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

21.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

SECTION XXII

YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22.1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that:

22.1.1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Superfood Cafe.

22.1.2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed.

22.1.3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement.

22.1.4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

22.1.5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

22.1.6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

22.2 Your Acknowledgments

You acknowledge, warrant and represent to us and we rely on such acknowledgments, warranties and representations that:

~~22.2.1 No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Superfood Cafe, or any other Kale Me Crazy® Superfood Cafe, whether owned by us, our affiliates or our franchisees. We make no guaranties, promises, representations, statements or warranties that you can or will achieve any level or range of sales, income or other measures of performance.~~

Initials

~~22.2.2 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the Kale Me Crazy[®] System, or the viability of the business opportunity being offered under this Agreement.~~

Initials

~~22.2.3 Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees.~~

Initials

~~22.2.4 You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisers (if you so elect) of your choosing. You have been advised to consult with your advisors with respect to the legal, financial and other aspects of this Agreement, the Superfood Cafe, and the prospects for the Superfood Cafe. You have either consulted with these advisors or have deliberately declined to do so.~~

Initials

~~22.2.5 You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.~~

Initials

~~22.2.6 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the operation of the Superfood Cafe.~~

Initials

~~22.2.7 You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.~~

Initials

~~22.2.8 Attached hereto as Exhibit H is a Franchisee Disclosure Acknowledgment Statement. You shall have received and answer the questions thereon, relating to representations that have or have not been made to you. You have executed the Statement voluntarily and attached it hereto.~~

Initials

22.2.1 ~~22.2.9~~ You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement. Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you. Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Initials

~~22.2.10~~ ~~Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of the Franchised Superfood Cafe, you retain the right and sole responsibility for the day to day management and operation of the Superfood Cafe and the implementation and maintenance of System standards at the Superfood Cafe.~~

Initials

22.2.2 ~~22.2.11~~ You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

Initials

~~22.2.12~~ ~~You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.~~

Initials

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

FRANCHISOR:
KALE ME CRAZY FRANCHISING, INC.
a Georgia corporation

By: _____
Name: _____
Title: _____
Accepted On: _____
(the “Effective Date”)

FRANCHISEE:

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

CONTROLLING PRINCIPALS

Each of the undersigned acknowledges and agrees as follows:

1. Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this guaranty and the undertakings of the Controlling Principals in the Franchise Agreement are in partial consideration for, and a condition to, the granting of this license, and that Franchisor would not have granted this license without the execution of this guaranty and such undertakings by each of the undersigned;

2. Each is included in the term “Controlling Principals” as described in Section 19.18 of the Franchise Agreement;

3. Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of the Controlling Principals set forth in the Franchise Agreement and is obligated to perform thereunder; and

4. Each individually, jointly and severally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Franchisee’s obligations under the Franchise Agreement will be punctually paid and performed. Upon default by Franchisee or upon notice from Franchisor, each will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement. Without affecting the obligations of any of the Controlling Principals under this guaranty, Franchisor may, without notice to the Controlling Principals, waive, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee or settle, adjust or compromise any claims that Franchisor may have against Franchisee. Each of the Controlling Principals waives all demand and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by Franchisee, any default by Franchisee or any guarantor and any release of any guarantor or other security for this guaranty or the obligations of Franchisee. Franchisor may pursue its rights against any of the Controlling Principals, jointly or severally, without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy. Upon receipt by Franchisor of notice of the death of any of the Controlling Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in such event, the obligations of the remaining Controlling Principals shall continue in full force and effect.

CONTROLLING PRINCIPALS:

Name:

Name: _____

Name: _____

Name: _____

ATTACHMENT A TO THE FRANCHISE AGREEMENT

ACCEPTED LOCATION AND TERRITORY

1. ACCEPTED LOCATION

Pursuant to Section 1.2 of the Franchise Agreement, the Superfood Cafe shall be located at the following Accepted Location:

2. TERRITORY:

Pursuant to Section 1.4 of the Franchise Agreement, the Territory shall be:

ATTACHMENT B TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE (this “**Assignment**”) is made, entered into and effective as of the effective date of the Lease (as defined herein below), by, between and among _____, with its principal business address located at _____ (the “**Franchisor**”), and _____ whose current principal place of business is _____ (the “**Franchisee**”).

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a _____ (the “**Kale Me Crazy®**”) located at _____ (the “**Site**”). In addition, pursuant to that certain Lease Agreement (the “**Lease**”), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the “**Lessor**”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Lease.
3. **Indemnification of Franchisor:** The Franchisee agrees to indemnify and hold the Franchisor and its affiliates, stockholders, directors, officers and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, the Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Conditional Assignment:** The Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee’s rights, title and interest in and to the Lease as collateral for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default

or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by the Franchisee under the terms of the Lease, or, in the event the Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other Agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination:** The Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms without such written consent is null and void.

6. **Exercise of Remedies:** In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, the Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

- a. to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;
- b. to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;
- c. to exclude the Franchisee, its agents or employees from the Site;
- d. as attorney in fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e. to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f. to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor;

g. to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h. notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of the Franchisee's default under the Lease.

7. **Power of Attorney:** The Franchisee does hereby appoint irrevocably the Franchisor as its true and lawful attorney in fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies.

9. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control:** This Assignment governs and controls over any conflicting provisions in the Lease.

11. **Attorney's Fees, Etc:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non prevailing Party.

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

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

THE "FRANCHISEE":

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

THE "FRANCHISOR":

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

The Lessor hereby consents, agrees with, approves of and joins in with this
CONDITIONAL ASSIGNMENT AND ASSUMPTION OF LEASE.

THE "LESSOR":

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

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

- (a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;
- (b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;
- (c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and
- (d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Superfood Cafe.

Dated: _____

_____, Lessor

ATTACHMENT C TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A. The following is a list of all shareholders, partners or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership/Nature of Interest</u>

B. In addition to the persons listed in paragraph A., the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 19.18 of the Franchise Agreement. Unless designated as a Controlling Principal, each of Franchisee's Principals shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment D (see Sections 10.2.2 and 10.3.4 of the Franchise Agreement):

ATTACHMENT D TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

**(for trained employees, shareholders, officers, directors,
general partners, members and managers of Franchisee)**

In consideration of my being a _____ of _____, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), _____ (the “Franchisee”), has acquired the right and franchise from Kale Me Crazy Franchising, Inc. (the “Company”) to establish and operate a Kale Me Crazy® Superfood Cafe (the “Franchised Business”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Proprietary Marks”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and Accepted Location: _____ (the “Accepted Location”).

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “System”) relating to the establishment and operation of Franchised Businesses offering breakfast and lunches, and featuring breakfast all day. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “Confidential Information”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s Confidential Operations Manuals (the “Manuals”), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or

Attachment D-1

use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any food service business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business where the sale of such products constitutes or is intended to constitute twenty percent (20%) or more of the Gross Receipts of the business operated or intended to be operated (a "Competitive Business"); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Business that is, or is intended to be, located at or within:

7.1 Franchisee's Territory, as defined in the Franchise Agreement ("Franchisee's Territory");

7.2 Ten (10) miles of Franchisee's Territory; or

7.3 Ten (10) miles of any Franchised Business operating under the System and the Proprietary Marks.

The prohibitions in this Paragraph 7 do not apply to my interests in or activities performed in connection with a Franchised Business. This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof,

Attachment D-2

without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Georgia. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature

Name

Address

Title

ACKNOWLEDGED BY FRANCHISEE

By: _____

Name: _____

Title: _____

ATTACHMENT E TO THE FRANCHISE AGREEMENT

ELECTRONIC TRANSFER AUTHORIZATION

**AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO KALE ME CRAZY FRANCHISING, INC. ("COMPANY")**

BANK AUTHORIZATION FORM

I hereby authorize Kale Me Crazy Franchising, Inc., hereinafter called "Kale Me Crazy[®]", to initiate debit entries to my ____ Checking ____ Savings account indicated below at the depository named below, hereinafter called DEPOSITORY and authorize DEPOSITORY to debit the same to such account.

DEPOSITORY (BANK)

BRANCH: _____

ADDRESS: _____

CITY : _____ STATE: _____ ZIP: _____

Bank/ABA#: _____

ACCOUNT #: _____

This is to remain in full force and effect for the entire term of the Franchise Agreement, including renewals, unless upon ten (10) days written notice this authorization is subsequently replaced by maker.

FRANCHISEE: _____

FEDERAL IDENTIFICATION: _____
(Please print or type)

SIGNED: _____

DATE: _____

ATTACHMENT F TO THE FRANCHISE AGREEMENT

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the “Internet Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between Kale Me Crazy Franchising, Inc., a Georgia corporation (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a “Kale Me Crazy®” Superfood Cafe (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 **Interest in Internet Web Sites and Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the “Internet Web Sites and Listings”) related to the Superfood Cafe or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 **Transfer.** On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Internet Web Sites and Listings: (i) to transfer all of Franchisee’s Interest in such Internet Web Sites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee

Attachment F-1

will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns

Attachment F-2

of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Georgia, without regard to the application of Georgia conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

KALE ME CRAZY FRANCHISING, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

If an Individual:

Signature: _____

Printed Name: _____

If other than an Individual:

[Insert Business Entity name]

By: _____

Name: _____

Title: _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the “Telephone Listing Agreement”) is made and entered into as of the _____ day of _____, 20____ (the “Effective Date”), by and between Kale Me Crazy Franchising, Inc., a Georgia corporation (hereinafter the “Franchisor”), and _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for the operation of a “Kale Me Crazy[®]” Superfood Cafe (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “Telephone Numbers and Listings”) related to the Superfood Cafe or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and

Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns

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of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.9 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Georgia without regard to the application of Georgia conflict of law rules.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR:

KALE ME CRAZY FRANCHISING, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE:

If an Individual:

Signature: _____

Printed Name: _____

If other than an Individual:

[Insert Business Entity name]

By: _____

Name: _____

Title: _____

ATTACHMENT G TO THE FRANCHISE AGREEMENT

POWER OF ATTORNEY

IRREVOCABLE POWER OF ATTORNEY

STATE OF _____)
)
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____, a _____ (“Franchisee”), does hereby irrevocably constitute and appoint Kale Me Crazy Franchising, Inc., a Georgia corporation (“Franchisor”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of _____, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor. Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20____ by and between Franchisor and Franchisee. Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

Attachment G-1

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the State of _____ and the laws of the State of _____ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the _____ day of _____, 20____.

_____, a

By: _____
Name: _____
Title: _____

Attachment G-2

ATTACHMENT H TO THE FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA

FOR RESIDENTS OF THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Payment of all initial fees is postponed until after all of Franchisor's initial obligations are complete and franchisee is open for business.

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 which extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

The Franchise Agreement requires application of the laws of the state of Georgia. This may not be enforceable under California Law.

Neither the Franchisor, nor any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

Section 31125 of the California Corporations Code requires the Franchisor to give the Franchisee a disclosure document, in a form containing such information as the Commissioner may by rule or order require prior to a solicitation of a proposed material modification of an existing franchise.

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

You must sign a general release if you 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).

FOR RESIDENTS OF THE STATE OF ILLINOIS

TO BE EXECUTED SIMULTANEOUSLY WITH ILLINOIS FRANCHISE AGREEMENTS

The following Addendum modifies and supersedes the Kale Me Crazy Franchising, Inc. Franchise Agreement (the “Agreement”) with respect to Kale Me Crazy® franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating a Kale Me Crazy® franchise in the State of Illinois pursuant to the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. § 705/1 through 705/44, as follows:

1. The first sentence of Section 3 of the Franchise Agreement is deleted in its entirety and replaced with the following:

Based on our initial financial condition, the Illinois Attorney General’s Office requires that payment of all Initial Franchise Fees be deferred until such time as all initial obligations which we owe to you under the Franchise Agreement and any other agreement have been fulfilled by us and you have commenced doing business pursuant to the Franchise Agreement. Therefore, Initial Franchise Fees must be paid to us in full by you immediately upon the commencement of your Kale Me Crazy® Juice Bar franchise.

2. The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, ILCS 705/19 and 705/20.

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or **any other law of Illinois** is void.

4. For Illinois franchisees, this Agreement shall be governed by and construed in accordance with the laws of the state of Illinois, and any and all disputes between the parties shall be resolved, within the state of Illinois, whether by mediation, arbitration or litigation.

5. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

BY EXECUTING THIS APPENDIX, THE PARTIES HERETO MAKE THIS APPENDIX A PART OF THE ACCOMPANYING FRANCHISE AGREEMENT, AND INCORPORATE THIS APPENDIX THEREIN.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

KALE ME CRAZY
FRANCHISING, INC.

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

If an Individual:

Signature: _____

Print Name: _____

If other than an Individual:

By: _____

Name: _____

Title: _____

Attachment H-3

FOR RESIDENTS IN THE STATE OF MARYLAND

The following Addendum modifies and supersedes the Kale Me Crazy Franchising, Inc. Franchise Agreement (the “Agreement”) with respect to Kale Me Crazy® franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Kale Me Crazy® franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§ 14-201 through 14-233, as follows:

1. The first sentence of Section 3 of the Franchise Agreement is deleted in its entirety and replaced with the following:

All fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee.

2. Under certain circumstances, the Agreement requires Franchisee to submit to a court proceeding in the State where Franchisor’s principal executive office is located. These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law. Therefore, nothing will preclude Franchisee from being able to enter into litigation with Franchisor in Maryland.

3. Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

~~4~~ 5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

~~5~~ 6. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

KALE ME CRAZY FRANCHISING,
INC.

If an Individual:

By: _____

Signature _____

Print Name: _____

Title: _____

Print Name: _____

If other than an Individual:

By: _____

Name: _____

Title: _____

Attachment H-5

ATTACHMENT I TO THE FRANCHISE AGREEMENT

TRANSFER OF A FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Franchise Agreement between _____, an individual with an address at _____ (“Franchisee”), and Kale Me Crazy Franchising, Inc., a Georgia corporation headquartered at 3167 Peachtree Rd Suite F, Atlanta, Georgia 30305 (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Franchisee of the Superfood Cafe under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Article XIV of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article X thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20____ between _____ and Kale Me Crazy Franchising, Inc.”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20____ between _____ and Kale Me Crazy Franchising, Inc.”

Attachment I-1

3. or his designee shall devote his best efforts to the day-to-day operation and development of the Superfood Cafe.

4. hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Kale Me Crazy Franchising, Inc., to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: _____

Location of Superfood Cafe: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____ (SEAL)

Title: _____

In consideration of the execution of the above Agreement, Kale Me Crazy Franchising, Inc. hereby consents to the above referred to assignment on this _____ day of _____, 20__.

KALE ME CRAZY FRANCHISING, INC.

By: _____

Name: _____

Title: _____

Attachment I-2

**EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT
MULTI-UNIT DEVELOPMENT AGREEMENT**

MULTI-UNIT OPERATOR AGREEMENT
KALE ME CRAZY FRANCHISING, INC.



MULTI-UNIT OPERATOR

DATE OF AGREEMENT

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ATTACHMENTS:

- “A” Certification by Multi-Unit Operator
- “B” Guaranty
- “C” Transfer of a Franchise to a Corporation or Limited Liability Company

EXHIBITS:

- “A” Minimum Performance Schedule
- “B” Exclusive Area
- “C” Existing Superfood Cafes in Exclusive Area
- “D” State Specific Addenda

KALE ME CRAZY FRANCHISING, INC.

MULTI-UNIT OPERATOR AGREEMENT

THIS MULTI-UNIT OPERATOR AGREEMENT (“Agreement”) is made and entered into the _____ day of _____, 20____, between Kale Me Crazy Franchising, Inc., a Georgia corporation having its principal place of business at 3167 Peachtree Rd. Suite F, Atlanta, Georgia 30305 (“we”, “us” or “our”), and _____ whose principal address is _____ (hereinafter “you” or “your”).

WITNESSETH:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter “System”) relating to the establishment and operation of superfood cafes specializing in selling smoothies, pressed juices, specialty drinks and shots featuring vegetables, fruits and other super foods, as well as selling high quality salads, acai bowls, wraps, and toast (“Superfood Cafe” or “Franchised Business”);

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items, uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, we identify the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark “Kale Me Crazy®” and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as “Marks”);

WHEREAS, we and our affiliates continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System’s high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Superfood Cafes operating under the Marks under the System within the Exclusive Area described in this Multi-Unit Operator Agreement.

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

SECTION I.

GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Multi-Unit Operator Agreement, certain development rights (“Development Rights”) to establish and operate _____ (_____) franchised Superfood Cafes, and to use the System solely in connection therewith at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Exhibit “A” of this Agreement (hereinafter “Minimum Performance Schedule”). Each Superfood Cafe developed hereunder shall be located in the area described in Exhibit “B” of this Agreement (hereinafter “Exclusive Area”).

1.2 Each Superfood Cafe for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Superfood Cafe in the Exclusive Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION II

MULTI-UNIT OPERATOR FEE

In consideration of the development rights granted herein, you shall pay to us a Multi-Unit Operator Fee equal to Seventy-Two Thousand Five Hundred Dollars (\$72,500) for the first two Units, One Hundred-Two Thousand, Nine Hundred Dollars (\$102,900) for three Units or One Hundred Twenty Six Thousand Twenty Dollars (\$126,020) for four Units. The Multi-Unit Operator Fee represents payment in full of the initial franchise fee for each Superfood Cafe you will develop. The initial fees to be paid by you shall be _____. (\$_____). The total Multi-Unit Operator Fee payable by you hereunder shall be _____ Thousand Dollars (\$_____).

The Multi-Unit Operator Fee shall be fully earned by us upon execution of this Agreement, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein.

SECTION III
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Superfood Cafes and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of such information and materials from you to approve or disapprove the site in our sole discretion. If the site is approved, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof. Under no circumstances, however, may you open a Superfood Cafe for business unless and until there is a fully executed Franchise Agreement in place for such Superfood Cafe.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Superfood Cafe at a site approved by us in the Exclusive Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Advertising Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site.

3.4 You acknowledge that the approval of a particular site for a Superfood Cafe by us shall not be deemed to be an assurance or guaranty that the Superfood Cafe will operate successfully or at a profit from such site.

3.5 You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Superfood Cafe to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each entity operating each Superfood Cafe.

SECTION IV

DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may, in our sole discretion, include the right to develop Superfood Cafes at any “Non-Traditional Sites”. Non-Traditional Sites include without limitation military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail superfood cafe locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Superfood Cafes within the Exclusive Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Superfood Cafes within the Exclusive Area subject only to the territorial rights granted to you with respect to Superfood Cafes operated by you pursuant to the Franchise Agreements.

4.4 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Superfood Cafes, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Superfood Cafes and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Exclusive Area, and under any terms and conditions we deem appropriate. “Alternative distribution channels” include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other marketing methods;

4.4.2 to operate and to grant others the right to operate Superfood Cafes located outside the Exclusive Area under any terms and conditions we deem appropriate and regardless of proximity to a Superfood Cafe;

4.4.3 to operate and to grant others the right to operate Superfood Cafes at Non-Traditional Sites within and outside the Exclusive Area under any terms and conditions we deem appropriate; and

4.4.4 to acquire and operate a business operating one or more superfood cafes or food service businesses located or operating in the Exclusive Area.

SECTION V

RENEWAL

This Agreement shall not be subject to renewal; however, if you wish to purchase a new Exclusive Area and continue to develop Superfood Cafes, we will, in good faith, negotiate a new Multi-Unit Operator Agreement with you.

SECTION VI

TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Superfood Cafe is opened pursuant to the Minimum Performance Schedule established in Exhibit “A”.

SECTION VII

YOUR OBLIGATIONS

7.1 You acknowledge and agree that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Superfood Cafes and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Superfood Cafes within the Exclusive Area. You shall obtain the license to use such additional rights at each Superfood Cafe upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section XI hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

(a) To continue to construct and operate other Superfood Cafes and to use the System and the Marks at any location outside the Exclusive Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

(c) To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public

through supermarkets, groceries, club stores and other non-superfood cafe outlets outside or inside of the Exclusive Area and to use the Marks in connection therewith.

7.1.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in its relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Kale Me Crazy® Superfood Cafe.

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

7.1.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9 In no event shall any Superfood Cafe be opened for business unless and until a Franchise Agreement for such Superfood Cafe has been fully executed and the initial franchise fee for such Superfood Cafe has been paid.

SECTION VIII **OUR SERVICES**

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Provide you with standard specifications and layouts for the interior and exterior design, improvements, equipment, furnishings, décor and signs identified with the Superfood Cafes as we make available to all multi-unit operators and franchisees from time to time.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other multi-unit operators.

SECTION IX

DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Section XI hereof.

9.1.3 Except as provided in Section XI hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Superfood Cafes to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Multi-Unit Operator Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Superfood Cafe, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); if

you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Superfood Cafes opened pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

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

9.2.3 If you shall fail to remit to us any payments pursuant to Section II when same are due.

9.2.4 If you shall begin work upon any Superfood Cafe at any site unless all the conditions stated in Section III hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Superfood Cafe for business before a Franchise Agreement for such Superfood Cafe has been fully executed.

SECTION X
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Superfood Cafes.

10.1.2 To cease immediately to hold yourself out in any way as a multi-unit operator of ours or to do anything which would indicate a relationship between you and us.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION XI
TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Paragraph shall constitute a material breach of this Agreement.

11.2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Superfood Cafe(s) pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Superfood Cafe(s) shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity.

11.3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section XI, and provided that in no event

shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

“The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Operator Agreement with Kale Me Crazy Franchising, Inc. dated _____. Reference is made to said Multi-Unit Operator Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity.”

11.4 The entity or assignee entity’s records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section XI. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded without our prior express written consent, which shall be given at our sole discretion. In the event that we approve a public offering of you, you shall present the Disclosure Document or prospectus to us for our review within a reasonable time prior to such offering becoming effective. In no event shall you offer your securities by use of the name “Kale Me Crazy®” or any name deceptively similar thereto, however, you may make appropriate reference to the fact that you have a Multi-Unit Operator Agreement with us; nor shall you relinquish control of the new public company. You agree to indemnify and hold us harmless from and against any claims, suits, actions or otherwise which arise out of or from such public offering.

11.5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section XI hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 You have represented to us that you are entering into this Multi-Unit Operator Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Superfood Cafe(s) to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Exclusive Area, on the same terms and conditions as offered by said third party. In order that we

may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline, or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section XI. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit operators and franchisees. Any assignment or transfer permitted by this Section XI shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9 Except as provided in Section 11.6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.9.3 You are not in default hereunder.

11.9.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit operators, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Operator Agreement, Franchise Agreements for all Superfood Cafes open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit operators on the date of transfer.

11.9.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7 You or transferee pay to us a transfer fee in an amount equal to fifty percent (50%) of our then-current initial franchise fee (for franchisees) to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of "Kale Me Crazy Franchising, Inc." as Franchisor. Nothing contained in this Agreement shall require us to remain in the superfood cafe business or to offer the same products and services, whether or not bearing the Proprietary Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION XII **COVENANTS**

12.1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by us or by any other franchisee or multi-unit operator of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any superfood cafe or food service business other than the Franchised Business (including any business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Superfood Cafe, including a superfood cafe which offers and sells the same or similar food products (a “Competitive Business”).

12.2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Business which is located within ten (10) miles of any Kale Me Crazy[®] Superfood Cafe in the System.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XII is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XII.

12.5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12.1 and 12.2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

12.6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section XII.

12.7 You acknowledge that any failure to comply with the requirements of this Section XII would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Section XII. We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise.

12.8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section XII (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons:

12.8.1 All Superfood Cafe managers of yours who have received training from us;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership.

Each covenant required by this Section 12.8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them. Your failure to obtain execution of a covenant required by this Section 12.8 shall constitute a default under Section IX hereof.

12.9 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Superfood Cafe in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section XII are being satisfied. If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default. If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within ten (10) days of receipt of the notice from us. Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us.

SECTION XIII

NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested or overnight delivery service to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: Kale Me Crazy Franchising, Inc.
3167 Peachtree Rd Suite F
Atlanta, Georgia 30305
ATTENTION: President

COPY TO: Michael S. Rosenthal, Esq.
Taylor English Duma LLP
1600 Parkwood Circle, Suite 200
Atlanta, Georgia 30339

Notices to the Multi-Unit Operator: _____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION XIV

INDEPENDENT CONTRACTOR AND INDEMNIFICATION

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

14.2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION XV

APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION XVI

NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION XVII

SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section XI hereof, any rights or remedies under or by reason of this Agreement.

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

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in triplicate, or such other number as is required, and each copy of the executed Agreement shall be deemed an original.

SECTION XVIII

ENTIRE AGREEMENT; APPLICABLE LAW

This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of Georgia, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the County of Fulton, Georgia.

SECTION XIX

DISPUTE RESOLUTION

19.1 We and you acknowledge that during the term of this Agreement disputes may arise between the parties that may be resolvable through mediation. To facilitate such resolution, we and you agree that each party shall submit the dispute between them for non-binding mediation at a mutually agreeable location before commencing an arbitration proceeding under Section 19.3. If we and you cannot agree on a location, the mediation will be conducted in Atlanta, Georgia. The mediation will be conducted by one (1) mediator who is appointed under the American Arbitration Association's Commercial Mediation Rules and who shall conduct the mediation in accordance with such rules. We and you agree that statements made by us, you or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. Each party shall bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate in the mediation.

19.2 If any dispute between the parties cannot be resolved through mediation within forty-five (45) days following the appointment of the mediator, the parties agree to submit such dispute to arbitration subject to the terms and conditions of Section 19.3.

19.3 Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation or mediation will be settled by binding arbitration in Georgia under the authority of the Georgia Arbitration Act. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution

law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted under the auspices of the American Arbitration Association utilizing its Commercial Arbitration Rules. The proceedings will be conducted under the Commercial Arbitration Rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Georgia Arbitration Act. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

19.4 With respect to any claims, controversies or disputes which are not finally resolved through arbitration, or as otherwise provided above, you and your owners hereby irrevocably submit themselves to the jurisdiction of the state courts of Fulton County, Georgia and the Federal District Court closest to Franchisor's headquarters. You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision. You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Georgia or federal law. You and your owners further agree that venue for any proceeding relating to or arising out of this Agreement shall be Fulton County, Georgia; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction. With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Georgia law.

19.5 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19.4 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

19.6 You, your owners and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Fulton County, Georgia, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Fulton County, Georgia.

19.7 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the

event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

SECTION XX

TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Superfood Cafes in the Exclusive Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Superfood Cafes within the Exclusive Area in accordance with the Minimum Performance Schedule, to operate such Superfood Cafes pursuant to the terms of the Franchise Agreements and to maintain all such Superfood Cafes in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION XXI

ACKNOWLEDGMENTS

~~21.1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON. WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.~~

~~21.2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HERewith; AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.~~

~~21.3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENTS AND PROHIBITIONS CONCERNING FRANCHISING" AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.~~

~~21.4 YOU AND EACH OF YOUR PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF KALE ME CRAZY[®] SUPERFOOD CAFES OR DEVELOPMENT OF THE EXCLUSIVE AREA.~~

~~SECTION XXI~~**SECTION XXII**
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

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

KALE ME CRAZY FRANCHISING, INC.

By: _____
Name: _____
Title: _____

MULTI-UNIT OPERATOR:

By: _____
Name: _____
Title: _____

**KALE ME CRAZY FRANCHISING, INC.
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT “A”
CERTIFICATION BY MULTI-UNIT OPERATOR**

The undersigned, personally and as an officer or partner of Multi-Unit Operator, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Operator Agreement and the Kale Me Crazy Franchising, Inc. Franchise Agreement, and that the decision to execute the Multi-Unit Operator Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Operator Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated “Kale Me Crazy®” Superfood Cafes. The undersigned further certified that he understands the risks involved in this investment and Kale Me Crazy Franchising, Inc. makes no representation or guaranty, explicit or implied, that the Multi-Unit Operator will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this ____ day of _____, 20____.

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

**KALE ME CRAZY FRANCHISING, INC.
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT “B”
GUARANTY**

(TO BE EXECUTED ONLY IF MULTI-UNIT OPERATOR IS A CORPORATION, LIMITED
LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Kale Me Crazy Franchising, Inc. of the annexed Multi-Unit Operator Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Multi-Unit Operator, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Operator Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Operator Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Operator Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Operator Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND
PARTNERS, AS APPLICABLE

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Operator, each has read this Multi-Unit Operator Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Operator hereunder.

**KALE ME CRAZY FRANCHISING, INC.
MULTI-UNIT OPERATOR AGREEMENT**

**ATTACHMENT “C”
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement shall amend that certain Multi-Unit Operator Agreement between _____, an individual with an address at _____ (“Multi-Unit Operator”), and Kale Me Crazy Franchising, Inc., a Georgia corporation headquartered at 3167 Peachtree Rd. Suite F, Atlanta, Georgia 30305 (“Franchisor”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Operator of the Superfood Cafes under a Multi-Unit Operator Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Exclusive Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Operator constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Operator Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section XI of the Multi-Unit Operator Agreement, agree as follows:

1. The undersigned Multi-Unit Operator shall remain personally liable in all respects under the Multi-Unit Operator Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Operator Agreement including the restrictive covenants contained in Section XII thereof, to the same extent as if each of them were the Multi-Unit Operator set forth in the Multi-Unit Operator Agreement and they jointly and severally personally guarantee all of the Multi-Unit Operator’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between _____ and Kale Me Crazy Franchising, Inc.”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Operator Agreement dated _____, 20__ between _____ and Kale Me Crazy Franchising, Inc.”

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Superfood Cafes.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Operator Agreement executed on the date set forth below between Multi-Unit Operator and Kale Me Crazy Franchising, Inc., to the same extent as if it were named as the Multi-Unit Operator therein.

Date of Multi-Unit Operator Agreement: _____

Exclusive Area for Superfood Cafes: _____

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

Name of Corp. or Limited Liability
Company

By: _____ (SEAL)
Title: _____

In consideration of the execution of the above Agreement, Kale Me Crazy Franchising, Inc. hereby consents to the above referred to assignment on this _____ day of _____, 20____.

KALE ME CRAZY FRANCHISING, INC.

By: _____
Name: _____
Title: _____

KALE ME CRAZY FRANCHISING, INC.

MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT “A”

Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Operator to establish and operate _____ (____) “Kale Me Crazy®” Superfood Cafes pursuant to a Franchise Agreement for each Superfood Cafe. The following is Multi-Unit Operator’s Minimum Performance Schedule:

Minimum Cumulative Number of Franchise Agreements for Superfood Cafes to be located and Operating Within the Exclusive Area	By this Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total: _____	_____

APPROVED:

MULTI-UNIT OPERATOR

KALE ME CRAZY FRANCHISING, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

KALE ME CRAZY FRANCHISING, INC.

MULTI-UNIT OPERATOR AGREEMENT

EXHIBIT “B”

Exclusive Area

The following describes the Exclusive Area within which Multi-Unit Operator may locate “Kale Me Crazy®” Superfood Cafes under this Agreement:

APPROVED:

MULTI-UNIT OPERATOR

KALE ME CRAZY FRANCHISING, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

KALE ME CRAZY FRANCHISING, INC.
MULTI-UNIT OPERATOR AGREEMENT
EXHIBIT “C”
EXISTING SUPERFOOD CAFES IN EXCLUSIVE AREA

APPROVED:

MULTI-UNIT OPERATOR

KALE ME CRAZY FRANCHISING, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

KALE ME CRAZY FRANCHISING, INC.
MULTI-UNIT OPERATOR AGREEMENT
EXHIBIT “D”

STATE SPECIFIC ADDENDA

FOR RESIDENTS OF THE STATE OF CALIFORNIA

California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the Multi-Unit Operator Agreement contains a provision that is inconsistent with the law, the law will control.

Payment of all initial fees is postponed until after all of Franchisor’s initial obligations are complete and franchisee is open for business.

FOR RESIDENTS IN THE STATE OF MARYLAND

The following Addendum modifies and supersedes the Kale Me Crazy Franchising, Inc. Multi-Unit Operating Agreement (the “Agreement”) with respect to Kale Me Crazy® franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Kale Me Crazy® franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§ 14-201 through 14-233, as follows:

1. Section 2 of the Multi-Unit Operating Agreement is amended as follows: All fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee. In addition, all development fees and initial payments by developers shall be deferred until the first franchise under the development agreement opens.

2. Under certain circumstances, the Agreement requires Franchisee to submit to a court proceeding in the State where Franchisor’s principal executive office is located. These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law. Therefore, nothing will preclude Franchisee from being able to enter into litigation with Franchisor in Maryland.

3. Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

5. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

KALE ME CRAZY FRANCHISING,
INC.

If an Individual:

By: _____

Signature _____

Print Name: _____

Title: _____

Print Name: _____

If other than an Individual:

By: _____

Name: _____

Title: _____

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

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EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT
FRANCHISEE ~~DISCLOSURE~~ ACKNOWLEDGMENT STATEMENT

FRANCHISEE ~~DISCLOSURE~~ ACKNOWLEDGMENT STATEMENT

~~As you know, Kale Me Crazy Franchising, Inc. (the “Franchisor”) and you are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Kale Me Crazy[®] Superfood Cafe (the “Franchised Superfood Cafe”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.~~

~~In the event that you are intending to purchase an existing Franchised Superfood Cafe from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.~~

~~1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Superfood Cafe from an existing Franchisee?~~

~~Yes _____ No _____~~

~~2. I had my first face-to-face meeting with a Franchisor representative on _____, 20____.~~

~~3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?~~

~~Yes _____ No _____~~

~~4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?~~

~~Yes _____ No _____~~

~~If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)~~

~~5. Have you received and personally reviewed the Franchisor’s Disclosure Document that was provided to you?~~

~~Yes _____ No _____~~

Yes _____ No _____

Yes _____ No _____

Yes _____ No _____

Yes No

Yes _____ No _____

Yes _____ No _____

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~~franchised business that is contrary to or different from the information contained in the Disclosure Document?~~

~~Yes _____ No _____~~

~~12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Superfood Cafe will generate, that is contrary to or different from the information contained in the Disclosure Document?~~

~~Yes _____ No _____~~

~~13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Superfood Cafe that is contrary to or different from the information contained in the Disclosure Document?~~

~~Yes _____ No _____~~

~~14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Superfood Cafe?~~

~~Yes _____ No _____~~

~~15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?~~

~~Yes _____ No _____~~

~~16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?~~

~~Yes _____ No _____~~

~~17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?~~

~~Yes _____ No _____~~

~~18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____~~

~~If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if~~

necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. ~~You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.~~

B. ~~You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".~~

~~C.~~ You further You acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism;
or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this ____ day of _____, 20__.

~~Sign here if you are taking the franchise as an~~

~~INDIVIDUAL~~

~~Signature~~

~~Print Name~~ _____

~~Signature~~

~~Print Name~~ _____

~~Signature~~

~~Print Name~~ _____

~~Sign here if you are taking the franchise
as a~~

~~CORPORATION, LIMITED
LIABILITY COMPANY OR
PARTNERSHIP~~

~~Print Name of Legal Entity~~

~~By:~~ _____

~~Signature~~

~~Print Name~~ _____

~~Title~~ _____

Sign here if you are taking the franchise as an _____ Sign here if you are taking the
franchise as a _____

INDIVIDUAL

CORPORATION, LIMITED LIABILITY
COMPANY OR PARTNERSHIP

Signature

Print Name of Legal Entity

Print Name

By:

Signature

Signature

Print Name

Print Name

Title

Signature

Print Name

Signature

Print Name

EXHIBIT I TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__ by and between Kale Me Crazy Franchising, Inc., a Georgia corporation having its principal place of business located at 3167 Peachtree Rd Suite F, Atlanta, GA 30305 (the "Franchisor"), and _____, an individual residing at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. Release by Releasor:

2. Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

3. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

4. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

5. Georgia law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

6. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Georgia.

7. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

(Name)

KALE ME CRAZY FRANCHISING, INC.:

By: _____

Name: _____

Title: _____

EXHIBIT J TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES~~**RECEIPT**~~

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	June 15, 2022 Pending
Florida	June 6, 2022
Hawaii	
Illinois	
Indiana	
Maryland	August 2, 2022
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

EXHIBIT K TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

RECEIPT

(RETURN ONE COPY TO US)

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 Kale Me Crazy Franchising, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, Washington and Wisconsin require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Kale Me Crazy Franchising, Inc. 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, DC 20580 and the appropriate state agency listed on Exhibit C.

The franchisor is Kale Me Crazy Franchising, Inc., located at 3167 Peachtree Rd Suite F, Atlanta, GA 30305. Its telephone number is (678) 654-8737.

Issuance date: ~~June 6~~ March 8, 2022 2023.

The name, principal business addresses and telephone number of the franchise seller for this offering is: _____.

Kale Me Crazy Franchising, Inc. authorizes the agents listed in Exhibit C to receive service of process for it.

I have received a disclosure document dated ~~June 6~~ March 8, 2022 2023, that included the following Exhibits:

A – Financial Statements

B – List of Franchisees

C – List of State Administrators

D – State Specific Amendments

E – Franchise Agreement with Addenda

F – Multi Unit Development Agreement

G – Table of Contents of Operations Manual

H – Franchisee Disclosure Acknowledgment Statement

I- General Release

J – State Effective Dates

K - Receipt

Date:

(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by signing, dating and mailing it to Kale Me Crazy Franchising, Inc. at 3167 Peachtree Rd Suite F, Atlanta, GA 30305, or by emailing a copy of the signed and dated receipt to Kale Me Crazy Franchising, Inc. at franchising@kalemecrazy.net.

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