FRANCHISE DISCLOSURE DOCUMENT

Oola Bowls Franchising, LLC
A Pennsylvania limited liability company
108 Foxshire Drive
Lancaster, PA 17601
716-818-5336
info@oolabowls.com
https://www.oolabowls.com

We grant qualified individuals and entities the right to operate a fast casual restaurant featuring superfood acai bowls and healthy beverages using the Oola Bowls name and our proprietary methods, marks, and menu items (each, a "**Oola Shop**") in a fun and engaging environment. Oola Shops will further the Oola Bowls' mission, which is to provide a nutrition-rich, healthy alternative to traditional dining.

If you enter into a franchise agreement for a standard Oola Shop, then we may offer you the opportunity to enter into an addendum to operate an Oola Bowls Satellite Shop. We also offer qualified applicants the right to operate multiple standard Oola Shops pursuant to a multi-unit development agreement.

The total estimated investment necessary to begin operation of an Oola Shop is set forth in the table below:

Model	Estimated Initial Investment Necessary to Begin Operating		Amount that must be Paid to the Franchisor or an Affiliate	
	Low	High	Low	High
Oola Shop	$281,500	$718,000	$48,750	$62,500
Satellite Shop	$58,100	$163,000	$10,000	$10,000
3 Oola Shops	$351,500	$788,000	$118,750	$132,500
10 Oola Shops	$596,500	$1,033,000	$363,750	$377,500

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Brock Snider at 108 Foxshire Drive, Lancaster, PA 17601 and 716-818-5336.

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

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

Issuance date: April 23, 2024

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 I.
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 G 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 Oola Bowls 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 an Oola Bowls franchisee?	Item 20 or Exhibit I 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 A.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. 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 Pennsylvania than in your own state.

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

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

4. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history. Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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Exhibits

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

In this Disclosure Document, "we", "us," or "our" refers to Oola Bowls Franchising, LLC (the "**Franchisor**"). "You" means the person to whom we grant a franchise. If you are a corporation, then "you" will apply to your individual owners, shareholders, members, officers, directors and other principals.

The Franchisor, Any Parents, Predecessors and Certain Affiliates

<u>The Franchisor</u>

We operate under our corporate name, Oola Bowls Franchising, LLC and the name "Oola Bowls." At this time, we do not operate under any other name, but we reserve the right to do so in the future. Our principal business address is 108 Foxshire Drive, Lancaster, PA 17601. We do not have any affiliates that offer franchises in any line of business, but we do have affiliates that provide products or services to our franchisees, which are described in more detail below. We were formed in December 2020 as a Pennsylvania limited liability company. Franchisor has offered franchises for this business since March 2022. We do not operate a business similar to the Oola Shop and do not operate in any other line of business or offer franchises in any other line of business. Our agent for service of process in Pennsylvania is Joseph E. Jacobs-Ferderbar and the agent's principal business address is 108 Foxshire Drive, Lancaster, PA 17601. Our agents for service of process in other states are disclosed in Exhibit A.

<u>Our Parents, Predecessors and Affiliates</u>

We do not have any parent entities or predecessors.

Our affiliate, Oola Bowls LLC, was formed on April 11, 2018, and operates Oola Bowls businesses similar to an Oola Shop in Lancaster, Pennsylvania and Reading, Pennsylvania and has done so since its formation. Oola Bowls LLC is also a supplier of certain products and services to franchisees including, but not limited to, inventory, cold storage, and delivery.

Our affiliate, J&B Acai Management, LLC, was formed on May 25, 2023, and operates a business similar to an Oola Shop in York, Pennsylvania and has done so since its formation.

Our affiliates, Oola Camp Hill, LLC, and Oola East York, LLC, were both formed on February 29, 2024, and will each operate a business similar to an Oola Shop in different cities in Pennsylvania and are expected to open later in 2024.

Our affiliate, Hickory Town Distribution, LLC, was formed on February 29, 2024, and offers products and services to franchisees including, but not limited to, inventory, cold storage, and delivery.

All of our affiliates are Pennsylvania limited liability companies and have a principal business address of 108 Foxshire Drive, Lancaster, PA 17601. None of these affiliates operates in any other line of business or has ever offered franchises in any line of business.

The Franchise Offered

We grant franchises the right to independently own and operate a fast casual restaurant featuring superfood acai bowls and healthy beverages using the Oola Bowls name and our proprietary methods, marks, and menu items that aims to further the Oola Bowls' mission, which is to provide a nutrition rich, healthy alternative to traditional dining. We recommend that each Oola Shop offer its products and services through a drive-thru window as well as indoor dining. The Oola Shops operate under the mark OOLA BOWLS and any other proprietary marks we designate in the future (the "**Marks**"). We operate utilizing our proprietary business system described more fully below.

The Oola Shop

If you sign a franchise agreement with us, you will develop and operate one Oola Shop. Your Oola Shop will be operated using our Marks and in accordance with our proprietary operating system, which includes our valuable knowhow, information, trade secrets, methods, confidential operations manual (the "**Brand Standards Manual**") and other proprietary manuals we may loan to you, recipes, standards and specifications, sales techniques, merchandising, marketing, advertising, inventory management systems, marketing and sales programs, fixture and furniture selection and other research and development connected with the establishment and operation of an Oola Shop (collectively, the "**System**"), which we may modify from time to time as we deem appropriate in our sole discretion.

Your Oola Shop will have between approximately 1,750 to 2,500 square feet of leased or owned space, and your Oola Shop will typically be located in a centrally located business center, retail shopping center or other high-traffic pedestrian and business location ideally with the space for a drive-thru window.

In order to own and operate an Oola Shop, you must enter into our current form of franchise agreement that is attached as Exhibit B to this Disclosure Document (the "**Franchise Agreement**"). An Oola Shop may, subject to our conditions and requirements, also offer delivery and catering services within the Oola Shop's Territory.

You may be an individual, corporation, partnership or other form of legal entity. Under the Franchise Agreement, certain parties are characterized as Franchisee's Principals (referred to in this Disclosure Document as your "**Principals**"). The Franchise Agreement is signed by us, by you, and by your Principals. By signing the Franchise Agreement, your Principals agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement. Depending on the type of business activities in which you or your Principals may be involved, we may require you or your Principals to sign additional confidentiality and non-competition agreements. You must designate (a) an owner that will be our main point of contact ("**Designated Owner**") and (b) a general manager who will be the main individual responsible for your business (the "**General Manager**"). Your Designated Owner and General Manager may be the same person. Your General Manager does not have to own an equity interest in you or the franchise, but the Designated Owner does. If not a Principal, then General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants.

Satellite Shop

If you own an Oola Shop and meet certain criteria, then we may offer you the opportunity to operate a satellite shop ("**Satellite Shop**") supported by the Oola Shop. A Satellite Shop is an approved freestanding unit (including farmers' market stands, kiosks, trailers, vans, and trucks and other similar venues), which is decorated to meet our specifications. The Satellite Shop is supported by the Oola Shop's production capability and will sell approved Menu Items for Satellite Shops in its own Territory ("**Satellite Territory**") and may include a more limited menu than the menu offered by an Oola Shop ("**Satellite Menu Items**"). If we grant you the right to operate a Satellite Shop, then you must sign the Satellite Addendum (the "**Satellite Addendum**"), which is attached to the Franchise Agreement as an Attachment and pay us a fee. We do not offer the opportunity to operate a Satellite Shop to any party that does not currently operate a standard Oola Shop or is not in full compliance with their Franchise Agreement.

Under the Satellite Addendum and depending on the type of Satellite Shop, your Satellite Shop may engage in off-premises special events, activities or sales, including specialty parties, festivals and business events ("**Mobile Events**") in the Territory for the Oola Shop or in the Satellite Territory. A Mobile Event is any event where you operate a Satellite Shop and serve Satellite Menu Items at the event site. You may not use a Satellite Shop at any event site within the Territory of another Oola Shop (owned by us, our affiliate or another franchisee) (including Mobile Events and Catering Activities) unless you have submitted to us a request for approval ("**Mobile Event Request**") and we have approved the Mobile Event Request.

Multi-Unit Offering

In certain circumstances we may offer qualified individuals and entities the right to open and operate multiple Oola Shops within a designated geographical area (the "**Development Area**") under our current form of Multi-Unit Development Agreement that is attached to this Disclosure Document as Exhibit C (the "**MUDA**"), which will also outline a schedule or defined period of time in which you must open and commence operating each Oola Shop (a "**Development Schedule**").

You will be required to sign a Franchise Agreement for your initial Oola Shop at the same time you sign your MUDA. In addition, you will eventually need to sign our then-current form of Franchise Agreement for each of the Oola Shops you open under the Development Schedule, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

Your right to open under the MUDA is conditional based on our review and approval of the financial performance of all of your existing Oola Shops, your compliance with the standards of the System, and your personal financial strength including liquidity and income. Our approval is at our sole discretion and shall not be unreasonably withheld.

Market and Competition

Your Oola Shop will operate in the acai bowl and smoothie marketplace that is well developed. Our products are offered year-round and are not seasonal. You will compete for customers with independent owners, national chains, regional chains, and franchised businesses, offering consumers similar products. We may establish affiliates and/or other Oola Shops in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area. Also, we may sell products through the internet and other means of distribution to customers at any location, which may be located in the area of your Oola Shop.

Laws and Regulations

As a participant in the food service industry, your Oola Shop will be subject to food service health and sanitation laws, rules, and regulations. You must check with state and local agencies regarding the applicable requirements and necessary licenses for operating an Oola Shop.

We recommend that you consult with your own attorney to ensure that the laws of the state where your Oola Shop will be located permits you to provide the approved products and services from your Oola Shop. It is your sole responsibility to investigate any regulations in your area, including those related to the establishment and operation of an Oola Shop, generally. Each of your managers and other employees we designate must be ServSafe (or similar) certified.

Most states and local jurisdictions have also enacted other laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (i) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (ii) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking; (iii) set standards pertaining to employee health and safety; (iv) regulate matters affecting requirements for accommodating disabled persons, including the Americans with Disabilities Act; (v) set standards and requirements for fire safety and general emergency preparedness; and (vi) regulate, or otherwise relate to or govern, the operation of an Oola Shop, generally.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "**USA Patriot Act**"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

Item 2
BUSINESS EXPERIENCE

Joseph E. Jacobs-Ferderbar, Chief Executive Officer and Founder.
Joe is our CEO and a Founder and has served in this role since January 2021. Before founding Oola Bowls Franchising, LLC, Joe has served as CEO and Founder of Oola Bowls, LLC since May 2018 and previously served as CEO of Signarama Lancaster from November 2013 to December 2023.

Brock Snider, Chief Operating Officer and Founder.
Brock is our COO and a Founder and has served in this role since January 2021. Before founding Oola Bowls Franchising, LLC, Brock served as COO and Founder of Oola Bowls, LLC since May 2018.

Phil Dobinson, Director of Franchise Development
Phil is our Director of Franchise Development and has served in this role since January 2024. Previously, Phil served as our Director of Franchise Sales from January 2021 until January 2024. Phil has also served as Business Development Manager of Oola Bowls, LLC since August 2019.

Jimmy Rogan, Director of Operations
Jimmy Rogan has been our Director of Operations since December 2020, and was the Director of Operations for our affiliate from August 2018 to December 2020.

Jackie Wiggins, Director of Marketing
Jackie is our Director of Marketing and has served in this role since January 2021. Previously, Jackie joined Oola Bowls as a team member at our affiliate Shop in the Lancaster Central Market from August 2018 to December 2018. She was the Shop manager from December 2018 to January 2022. Jackie served as our Social Media Manager from January 2019 to August 2023 and as our Brand Director from August 2019 until January 2021.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

All franchisees who are purchasing the right to operate an Oola Shop must pay to us a $35,000 lump sum "**Initial Franchise Fee**" when signing a Franchise Agreement. Except as set forth below, the Initial Franchise Fee and Development Fee are deemed fully earned and non-refundable when you sign a Franchise Agreement. The Initial Franchise Fee and Development Fee are fully earned by us upon payment and are uniform for all franchisees.

For individuals who were honorably discharged from any branch of the United States Military the Initial Franchise Fee for your first Oola Shop will be discounted by 15%. This discount must be requested at the time of your initial franchise application and requires documented military service.

In order to offset our expenses related to signing a Franchise Agreement, $25,000 of the Initial Franchise Fee is non-refundable in all circumstances. The remainder of the Initial Franchise Fee may be refundable in the following circumstances:

a. If no acceptable site is found, approved and secured (via a signed lease or otherwise) within nine (9) months from the date the Franchise Agreement is signed, then either we or you may terminate the Franchise Agreement and we will refund $10,000 of the Initial Franchise Fee to you upon your signing a termination agreement and general release of all claims.

b. If we determine that you, your Designated Owner (as defined in the Franchise Agreement), General Manager or shift supervisors are unable to satisfactorily complete the required training program, then we may terminate the Franchise Agreement and, unless you have signed a MUDA, we will return $10,000 of the Initial Franchise Fee to you upon your signing a termination agreement and general release of all claims.

All franchisees who are purchasing the right to operate a Satellite Shop must pay to us a $10,000 lump sum "**Satellite Franchise Fee**" when signing the Satellite Addendum to the Franchise Agreement. The Satellite Franchise Fee is deemed fully earned and non-refundable when you sign the Satellite Addendum to the Franchise Agreement, is fully earned by us upon payment and is uniform for all franchisees.

Opening Inventory

Prior to opening, you will be required to purchase from us a substantial part of the opening inventory required to be used for the operation of the Oola Shop and pay to us the purchase price of the Opening Inventory. The amount of the Opening Inventory will vary depending on the size of your location and the volume of business you will do from the Oola Shop. Approximately 55% of the Opening Inventory will be purchased from us and the remainder will be purchased from third-party vendors. The portion of the Opening Inventory sum that will be paid to us is between $13,750 and $27,500, which is 55% of the total Opening Inventory of $25,000 to $50,000. The Opening Inventory payment is non-refundable when paid.

Multi-Unit Development Agreement (MUDA)

Development Fee

If we grant you the right to open three (3) or more Oola Shops under a MUDA, then you must pay us a fixed non-refundable one-time development fee (the "**Development Fee**"). Your Development Fee is calculated based on the number of Oola Shops that you are granted the right to open under the MUDA and is calculated as follows: (i) $35,000 for the first Oola Shop and then (ii) $10,000 each per additional Oola Shop.

Your Development Fee will be due upon signing the MUDA and will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all of our franchisees. The minimum number of Shops that you may agree to develop is three (3) and the maximum is ten (10). At the time of signing the Franchise Agreement for each additional Shop authorized by the MUDA, you will also pay us the then-current Initial Franchise Fee less $10,000.

Currently, the Development Fee and corresponding Initial Franchise Fee are calculated as follows:

Number of Shops	Development Fee (due at signing MUDA)	Initial Franchise Fee (due at signing Franchise Agreement, subject to change)	Sum of Fees
3	$55,000	$25,000	$105,000
4	$65,000	$25,000	$140,000
5	$75,000	$25,000	$175,000
6	$85,000	$25,000	$210,000
7	$95,000	$25,000	$245,000
8	$105,000	$25,000	$280,000
9	$115,000	$25,000	$315,000
10	$125,000	$25,000	$350,000

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your Gross Sales	Weekly, on the Tuesday of each week	See Note 1 and Note 2. Amounts due will be withdrawn by electronic wire transfer from your designated bank account.
Brand Development Fund Contribution	2% of your Gross Sales	Weekly, on the Tuesday of each week	See Item 11 for a detailed discussion about the Funds. Amounts due will be withdrawn by electronic wire transfer from your designated bank account.
Local Marketing	At least 2% of your Gross Sales	Monthly	This amount is not paid to us, but instead you are required to spend this amount each month on local advertising. You may only use promotional materials you have purchased from us or that we have provided to you.

Type of Fee	Amount	Due Date	Remarks
Market Cooperative Contribution	As determined by co-op. Not to exceed the Minimum Local Marketing Expenditure Currently, none.	Monthly on the 15th of each month	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 1% of Gross Sales. Any location owned by us or any affiliate will have the same voting rights as our franchisees. Dues will be imposed by a majority vote and will not be less than 1% of gross sales. If any location owned by us or any affiliates have a majority vote, the maximum fees imposed will not exceed 1% of Gross Sales.
Replacement/ Additional Training Fee	Our then current per person training fee, plus expenses. Our current per person training fee is $600 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee. You must pay our training fee as well as the trainees' expenses, including travel, lodging, meals, and wages.
Additional On-Site Training/Remedial Training	Our then current per diem rate per trainer, plus expenses. Our current per diem rate is $600 per trainer, per day	When billed	If you request that we provide additional training at your Oola Shop, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Oola Shop, and you must reimburse each trainer's expenses, including travel, lodging and meals.
Special Support Fee	Our then-current fee, plus our expenses. Currently, $600 per day	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Virtual Support Fee	Our then-current hourly fee. Currently, $100 per hour.	On demand	If we provide virtual or remote support to you in response to your request, we may charge this fee.
Management Fee	15% of Gross Sales plus expenses	As incurred	We may step in and manage your Oola Shop in certain circumstances, such as death, disability, default, or prolonged absence. We will charge a management fee if we manage your Store, and you must reimburse our expenses.

Type of Fee	Amount	Due Date	Remarks
Online Ordering Fees	$0.30 per transaction and 3.75% of the sale of each such transaction Currently, none	Monthly	These fees cover credit card, patent licensing, e-commerce, sales tax software, and authentication fees, the majority of which we will remit to respective third-party vendors. Fees are subject to change.
Technology Fee	Up to 1.00% of your Gross Sales Currently, not collected	Weekly, on the Tuesday of each week	We reserve the right to collect a Technology Fee, which would be an administrative technology fee charged by us and used, at our discretion, to help defray the costs of or otherwise provide consideration for technology products and services that we decide to associate or utilize in connection with the System. Amounts due will be withdrawn by electronic wire transfer from your designated bank account.
Software subscription	Currently, $750-$1,000 per month	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us.
Bookkeeping Fee	The then-current rate	Within 15 days of invoice	If we require you to utilize our in-house accounting, bookkeeping, or lease review resources, then you shall be required to pay to us the then-current rate for such services.
Non-compliance fee	$500	On demand	If your Oola Shop is not in compliance with any requirement of the Franchise Agreement or any other of our policies, then we will provide you with a non-compliance notice. If you fail to correct the issue, then we reserve the right to charge you a non-compliance fee of $500, plus $250 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.

Type of Fee	Amount	Due Date	Remarks
Late fee	$100 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law)	On demand	We may charge a late fee if you fail to make a required payment when due.
Interest	18% per annum or the highest interest rate allowed by applicable law, whichever is less	On demand	May be charged on all overdue amounts. Accrues from the original due date until payment is received in full.
Insufficient funds fee	$100 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
On-Site Evaluation Fee	$250 per day, plus reimbursement of our representative's reasonable costs incurred	When billed	At our election, we may conduct one on-site evaluation of the location you propose for your Oola Shop before we approve it for your Oola Shop.
Charges for "mystery shopper" quality control evaluation	As determined by us but not less than $400 per event or month Currently none	When billed	The mystery shopper program is separate from our programs for customer surveys and customer satisfaction audits that may require you to accept coupons from participating customers for discounted or complimentary items.
ServSafe Certification	$150 per person or the then current market rate	As needed	Each of your managers and other employees we designate must be ServSafe or similarly certified. Payable to an approved supplier.
Gift Card Program	Actual costs for inventory, shipping, app usage, etc.	As incurred	Payable to approved supplier. You must participate in our gift card program. Gift cards will be available for sale and redemption at any Oola Shop in the System.
Oola Bowls Annual Business Meeting	Will vary	Prior to attending	You will be responsible for your expenses in attending the Annual Business Meeting and we may charge a registration fee for each Annual Business Meeting.

Type of Fee	Amount	Due Date	Remarks
Guest Complaint Resolution Fee	Currently $25 plus face value of any gift card sent	When we receive a complaint from a guest and send a gift-card to the guest	If we receive a complaint from one of your guests, we reserve the right to require you to pay our then current Guest Complaint Resolution Fee plus face value of any gift card sent.
Special inspection Fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Transfer Fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your Oola Shop.
Liquidated Damages	If payable, equal to the average weekly Royalty Fees and Brand Development Fund Contributions you paid or owed to us during the 52 weeks preceding the termination multiplied by the lesser of (a) 104 (being the number of weeks in two full years), or (b) the number of weeks remaining on the term of the Agreement had it not been terminated.	On demand	Payable only if we terminate the Franchise Agreement based on your default.
Indemnity	Our costs and losses from any legal action related to the operation of your Oola Shop	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your Oola Shop (unless caused by our misconduct or negligence).
Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.

Type of Fee	Amount	Due Date	Remarks
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances	As incurred	Payable to approved suppliers. You must regularly clean, maintain, and repair your Oola Shop and its equipment. We may require you to remodel or redecorate your Oola Shop to meet our then-current image for all Oola Bowls locations. We will not require you to remodel or redecorate your Oola Shop more frequently than every five years.
Renewal Fee	$10,000	Upon renewal	Payable if we approve your renewal request.
Satellite Shop Renewal Fee	$500	Upon renewal	Payable if we approve your renewal request.
Relocation Fee	$2,500, plus out- of-pocket expenses.	As incurred	This fee is payment for time expended and administrative and operational modifications attributable to your relocation.

All fees are imposed by us and collected by us (other than some software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Notes

1. “Gross Sales” is defined in our Franchise Agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit and payment by a customer for a gift card. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business; or (vi) the redemption amount of a gift card.

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft on a weekly basis. However, we can require an alternative payment method and/or require that payments are made on a monthly basis or another frequency that we designate.

3. Cooperative Marketing Fees – If two or more Shops are operating within a geographic area, region, or market designated by us (a “**Designated Market**”), we reserve the right to establish and require your participation in a local or regional advertising cooperative within the Designated Market. If a local or regional advertising cooperative is established within a Designated Market that includes your Oola Shop(s), you will be required to participate in the cooperative and make on-going payments to the cooperative in such amounts and subject to such caps as established by the cooperative members. We anticipate that each Oola Shop franchisee will have one vote for each Oola Shop located within the cooperative market and that cooperative decisions shall be

made based on approval of a simple majority vote with a quorum of not less than 25% of the designated cooperative members. Contributions to a local or regional cooperative that we designate will count toward satisfaction of your minimum local marketing requirements.

4. Mystery Shopper – We may use an independent service to conduct a “mystery shopper” quality control and evaluation program. You must participate in this program, and we may require that you pay the then current charges imposed by the evaluation service as we direct, either directly to the evaluation service provider or to us as a reimbursement.

Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

A. FRANCHISE AGREEMENT

Oola Shop

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$35,000	$35,000	Lump sum	Upon signing the Franchise Agreement	Us
Buildout/Leasehold Improvements	$90,000	$300,000	As arranged	As arranged	Contractors
Furniture, Fixtures, and Equipment	$60,000	$150,000	As arranged	As arranged	Vendors and suppliers
Inventory (Note 2)	$25,000	$50,000	As incurred	As arranged	Us, Affiliates, and Vendors
Vehicle	$10,000	$30,000	As arranged	As arranged	Vendor
Signage	$20,000	$40,000	As arranged	As arranged	Vendor
Rent and Lease Security Deposit (Note 3)	$5,000	$15,000	As arranged	As arranged	Landlord
Grand Opening Marketing	$5,000	$10,000	As arranged	As arranged	Vendors and suppliers
Professional Fees (lawyer, accountant, etc.)	$5,000	$10,000	As arranged	As arranged	Professional service firms
Computer/POS	$1,000	$6,000	As arranged	As arranged	Vendors and suppliers
Office Expenses	$1,000	$2,000	As arranged	As arranged	Vendors
Licenses and Permits	$2,500	$5,000	As arranged	As arranged	Government
Travel, lodging and meals for initial training	$1,000	$5,000	As arranged	As arranged	Airlines, hotels, and restaurants
Utilities	$2,000	$4,000	As arranged	As arranged	Utility providers
Insurance	$4,000	$6,000	As arranged	As arranged	Insurance company
Additional funds (for first 3 months) (Note 4)	$15,000	$50,000	Varies	Varies	As determined by you
Total	**$281,500**	**$718,000**			

Satellite Shop

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$10,000	$10,000	Lump sum	Upon signing the Franchise Agreement	Us
Buildout/Leasehold Improvements	$0	$0	As arranged	As arranged	Contractors
Furniture, Fixtures, and Equipment	$30,000	$100,000	As arranged	As arranged	Vendors and suppliers
Inventory (Note 2)	$1,000	$5,000	As incurred	As arranged	Us, Affiliates, and Vendors
Vehicle	$10,000	$30,000	As arranged	As arranged	Vendor
Signage	$0	$0	As arranged	As arranged	Vendor
Rent and Lease Security Deposit (Note 3)	$0	$0	As arranged	As arranged	Landlord
Grand Opening Marketing	$0	$0	As arranged	As arranged	Vendors and suppliers
Professional Fees (lawyer, accountant, etc.)	$0	$0	As arranged	As arranged	Professional service firms
Computer/POS	$500	$2,000	As arranged	As arranged	Vendors and suppliers
Office Expenses	$0	$0	As arranged	As arranged	Vendors
Licenses and Permits	$100	$1,500	As arranged	As arranged	Government
Travel, lodging and meals for initial training	$0	$0	As arranged	As arranged	Airlines, hotels, and restaurants
Utilities	$0	$0	As arranged	As arranged	Utility providers
Insurance	$1,500	$4,500	As arranged	As arranged	Insurance company
Additional funds (for first 3 months) (Note 4)	$5,000	$10,000	Varies	Varies	As determined by you
Total	**$58,100**	**$163,000**			

Notes

1. General. We do not make any representation regarding whether any amounts paid to third parties are refundable. Amounts paid to us are not refundable unless otherwise specified. Neither we nor any affiliate of ours finances any part of the initial investment.

2. Inventory. This estimate includes the food products, supplies and items you will use in operating the Oola Shop and which will be the ingredients in the menu items that you provide to customers. This amount is paid to us, our affiliates, and/or third-party suppliers.

3. Rent and Lease Security Deposit. Our estimates in this table assume you pay one months' rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your Oola Shop, which is typical is most commercial leases. We expect that you will rent your location. If you choose to purchase real estate instead of renting, then your costs will be significantly different. Your Oola Shop will have between approximately 1,750 to 2,500 square feet of leased or owned space, and your Oola Shop will typically be located in a centrally located business center, retail shopping center or other high-traffic pedestrian and business location ideally with the space for a drive-thru window.

4. Additional Funds. This estimate includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you or any other owners. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of an Oola Bowls business by our affiliate, and our general knowledge of the industry.

5. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Brand Standards Manual.

B. MULTI UNIT DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT

Three Location Multi Unit Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
Developmental Fee (Note 1)	$55,000	Check or wire transfer	Upon signing the MUDA	Us
Franchise Fee	$50,000	Check or wire transfer	Upon signing subsequent franchise Agreements	Us
Estimated Initial Investment for first Oola Shop	$246,500 -$683,000	Varies	Varies	Varies
Total (Note 2)	$351,500 - $788,000			

Ten Location Multi Unit Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be made
Developmental Fee (Note 1)	$125,000	Check or wire transfer	Upon signing the MUDA	Us
Franchise Fee	$225,000	Check or wire transfer	Upon signing subsequent franchise Agreements	Us
Estimated Initial Investment for first Oola Shop	$246,500- $683,000	Varies	Varies	Varies
Total (Note 2)	$596,500 – 1,033,000			

Notes:

1. Development Fee. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and this Development Fee is for the right to open and operate a total of three (3) to ten (10) Oola Shops.

2. Initial Investment to Open Initial Oola Shop. This figure represents the total estimated initial investment required to open the initial Oola Shop that you agreed to open and operate under the MUDA. You will be required to enter into our then-current form of Franchise Agreement for the initial Oola Shop you open under your MUDA. The range includes all the items outlined in Chart 7.A. of this Item for an Oola Shop, and includes an estimate of the balance owed for subsequent Franchise Fees owed for those additional Oola Shops you open under the MUDA, reduced by the first Oola Shop's $35,000 Initial Franchise Fee. It does not include any of the costs you will incur each and every time you develop an Oola Shop as may be authorized under your MUDA and pursuant to the terms of each respective Franchise Agreement.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Specifications and Standards

You must operate the Oola Shop according to our mandatory specifications, standards, operating procedures and rules prescribed by us for the System (the "**System Standards**"). We may provide you with specifications for brands and types of food and beverage preparation, dispensing, storage and display equipment, cash registers and other equipment, fixtures, exterior and interior signs and decorating accessories required to meet our System Standards for the Oola Shop. Specifications may include minimum standards for performance, warranties, design, appearance and local zoning, sign and other restrictions. Our System Standards for purchasing are set out in the Manual, as modified; they may be based upon our experience, industry research, market analysis and taste testing by us and franchisees. We may revise or supplement the System Standards as we deem necessary.

We will provide you with a list of approved manufacturers, suppliers and distributors and approved food and non-food products, recipes, fixtures, equipment, signs, stationery and supplies and other items or services necessary to operate the Oola Shop. We may revise or supplement the list, as we deem advisable.

All designated food products must be prepared by you in accordance with the recipes, cooking techniques and processes designated by us.

In the operation of your Oola Shop, you must use only displays, trays, boxes, bags, wrapping paper, labels, forms and other paper and plastic products imprinted with the trade names, trademarks and service marks and colors which are required or approved by us.

You are prohibited from making material alterations to the Oola Shop or material replacements of or alterations to the equipment, fixtures or signs without prior written approval by us.

Before beginning operation of the Oola Shop, you must adequately supply the Oola Shop with a representative inventory as required by us of an assortment of ingredients, food and beverage products and other products, materials and supplies. You will, at all times, maintain a product and supply inventory which is sufficient to meet public demand and as otherwise required by us in the Manual.

Required Purchases of Goods and Services

In order to maintain the superior quality and consistency of products and services we sell and our reputation, we may require you to purchase certain goods and services from required vendors, us, or our affiliates. You must also purchase all private and proprietary items, including our private-label paper products, and uniforms with our trademarked logos, from us, our affiliates, or our required vendors.

We may require you to use only real estate brokers approved by us to locate a site for your Oola Shop and may require you to use only general contractors which we have designated or approved to construct your Oola Shop. You must deal directly with any such real estate brokers and general contractors. We will neither receive payments from designated or approved general contractors or real estate brokers; nor will we have any liability to you for their acts or omissions. Your business location is subject to our approval and must meet our specifications. You must use reasonable efforts to have your landlord sign our form of Rider to Lease Agreement and Collateral Assignment of Lease (attached to the Franchise Agreement as an Attachment).

We may require you to utilize certain in-house resources or a specified third-party provider for accounting, bookkeeping, or lease review in our sole discretion. If we require you to utilize our in-house accounting, bookkeeping or lease review resources, then you shall be required to pay to us the then-current rate for such services.

You are required to participate in certain system wide promotions and programs, which we have currently or may develop in the future including the Customer Loyalty Program with Text Messaging and Email Club, the Online Ordering Program, and the Food and Labor Management Program.

Under the Customer Loyalty Program with Text Messaging and Email Club, customers earn free food items after a certain number of purchases. The administrative costs of the Customer Loyalty Program may be included in the monthly Software Subscription, Brand Development Contribution, or the Technology Fee or a combination of thereof. We or local marketing cooperatives may choose to send text messages to those customers who sign up for text messaging at no cost to you. However, if you choose to send text messages to your customer lists, you will pay local text messaging fees, currently at $.035/message and this fee is subject to change. Customers who provide their email addresses to us occasionally receive special offerings from us, including free food items upon presentation of a valid email coupon at your Oola Shop and you must pay for the costs of the free food items.

Under the Online Ordering Program, customers place their orders online designating from which Oola Shop they will pick up the order. The costs of this program may be included in the monthly Online Ordering Fees, Software Subscription, or the Technology Fee or a combination of thereof. However, we may require you to pay us an additional $0.30 per online transaction and 3.75% of the sale of each such transaction to cover credit card, patent licensing, ecommerce, sales tax software, and authentication fees which costs will be included in the Online Ordering Fees.

Under the Food and Labor Management Software Program, we may require you to place your food, beverage, paper products, snack items, and cleaning product orders with outside vendors through this program. We may require you to enter your employee work schedules on this program and the employees will log their actual hours worked on the POS system. The costs of this program are currently included in the monthly Software Subscription.

You must participate in the Gift Card Program. Under this program, customers may purchase gift cards at your Oola Shop. The Gift Card Program may be maintained by us or our designated third party vendor. You must pay the costs of the plastic gift cards which are minimal. We do not charge any fees relating to the Gift Card Program but collect fees for the vendors.

You must use our designated credit card processing company, which may periodically change.

You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify which may periodically change.

You must purchase all operating equipment, inventory and supplies from us, our affiliates, or our approved vendors and suppliers. You are required to purchase certain products and services from our affiliates, Oola Bowls, LLC and/or Hickory Town Distribution, LLC, including, but not limited to, inventory, cold storage, and delivery. You are required to purchase all acai, pitaya and spinach directly from our affiliate or an alternate supplier that we designate. Our affiliate is also an approved supplier for fruit and other supplies that you may purchase. We may require you to purchase other supplies from our affiliate or an alternate supplier that we designate.

Us or our Affiliates as Supplier; Ownership of Suppliers

As described above, our affiliates, Oola Bowls, LLC and Hickory Town Distribution, LLC, are currently the suppliers of certain items and services that you will be required to purchase and use in connection with the Oola Shop and, at any time, we may designate an alternate supplier which may or may not be an affiliate. We reserve the right to be, or to designate our affiliate(s) to be, an approved supplier (or the sole supplier) of merchandise, uniforms, clothing, other goods, supplies, fruit, beverages, ingredients, or services in the future. We reserve the right to designate required suppliers for all inventory, products, equipment and services required to be used in connection with the Oola Shop.

All suppliers (excluding us or our affiliate) of fresh produce (fruit) and nut butters (or any other food or ingredient on the FDA Food Traceability List) that is to be consumed raw will need to provide us annually (or as often as requested) with satisfactory evidence of FDA Food Safety Modernization Act (FSMA) compliance, FDA Produce Safety Rule compliance, and FSMA 204 Traceability Rule compliance. These suppliers must be approved by us or our affiliate annually and before you enter into any agreement for the purchase of these products or receive these products.

Other than the above two affiliates, neither we nor any affiliate or any of our officers currently own any interest in any approved supplier to our franchisees.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

Revenue to Us and Our Affiliates

We reserve the right to derive revenue from the required purchases and leases made by franchisees. In our previous fiscal year ending December 31, 2023 we did not derive any revenue from required purchases and leases of products and services by franchisees. In its last fiscal year ending December 31, 2023, our affiliate, Oola Bowls, LLC, derived $243,102.09 from required purchases and leases of products and services by franchisees. Hickory Town Distribution, LLC was formed on February 29, 2024 and, therefore, did not derive any income from required purchases of products or services from franchisees as of December 31, 2023.

We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "**Allowances**") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). We may also choose to contribute these Allowances to the Brand Development Fund, but if we do so it does not reduce or eliminate your requirement to pay the Brand Development Fund.

We do not currently receive payments from any designated suppliers based on purchases by you or other franchisees. However, we reserve the right to do so in the future.

Proportion of Required Purchases and Leases

We estimate that the required purchases under our specifications will make up approximately 3% to 5% of your total initial investment and approximately 15% to 20% of your annual operating expenses.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We do not negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. However, we reserve the right to do so in the future.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

Leases and Leasehold Improvements

You must find an acceptable site for your Oola Shop. You are encouraged to use the services of our preferred broker, or a reputable broker in your search area. Assistance in identifying a reputable broker is provided in our Brand Standards Manual. You or your broker must present sites to us for our evaluation. We or your broker will assist in the negotiations of the business terms of the rental for any sites that we accept. The site must meet our then-current site criteria. If you will occupy the site under a lease, you must, before executing the lease, submit the lease to us for our review to ensure the lease contains the terms that we require, which are described in the lease rider and collateral assignment of lease attached to the Franchise Agreement (the "**Rider to Lease Agreement and Collateral Assignment of Lease**").

Your Oola Shop must be designed, constructed, equipped, decorated and supplied in compliance with the System Standards. You must repair, refinish, repaint, replace, remodel and/or otherwise redo your Oola Shop, equipment, furnishings, fixtures, decor, and any other tangible part or property of your Oola Shop at your expense to bring your Oola Shop into conformance with other franchises of the type being opened at the time of such direction. Typically, we require a full remodel on renewal or transfer, but we may direct changes at any time. Typical full remodeling costs range from $75,000 to $150,000 but could be higher depending on the scope of work and condition of your space.

Marketing and Promotional Materials

All marketing and promotional materials you use must be in the media and of the type and format that we approve. You must conduct the activities in a dignified manner, and they must conform to our standards. You may not use any marketing and promotional materials that we have not approved or have disapproved. Before you use any marketing and promotional materials that we have not prepared or previously approved, you must send us such materials for review and approval. Any advertising and promotional materials you submit to us for our review will become our property.

Insurance.

Franchisee must obtain insurance as described below and in our Brand Standards Manual, which includes: (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Oola Shop, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law. (vi) Umbrella or Excess Liability Insurance with limits of $2,000,000 per occurrence and $2,000,000 general aggregate; (vii) Employers' Liability insurance with limits not less than $1,000,000 each accident, $1,000,000 each employee by disease and $1,000,000 policy limit by disease; (viii) Employment Practices Liability Insurance, including third party coverage, with limits not less than $1,000,000 per claim and aggregate. We must be endorsed as a Co-Defendant; (ix) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits no less than $1,000,000, and regulatory expense coverage of no less than $250,000; and (x) all other insurance required by law or that we may reasonably require.

Your policies (other than Workers Compensation) must list us and its affiliates as an additional insured, must include a waiver of subrogation in favor of us and its affiliates, must be primary and non-contributing with any insurance carried by us or its affiliates, and must stipulate that we receive 30 days' prior written notice of a material alteration to or cancellation of the policy(ies). You must provide us with a certificate of insurance showing that you have obtained the required policies before construction of the Oola Shop begins and upon each policy's renewal. We have the right to require that you obtain from your insurance company a report of claims made and reserves set against your insurance. We have the right to change the insurance requirements during the term of the Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we has the right (but not the obligation) to purchase insurance for you and you must reimburse our costs related to this purchase plus pay to a 20% administrative fee.

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows:

The "Computer System" will include the required POS system (or upgraded/approved POS, approved by us), an iPad, stand holder, receipt printer and cash drawer. Also, you must participate with third-party delivery services such as Grubhub, DoorDash, Uber Eats or other approved delivery service deemed necessary by us. These systems will generate or store data such as items sold, sales data, customer loyalty program (optional), payroll and reporting.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
a. Site selection and acquisition/lease	§§ 6.1, 6.2	Not Applicable	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3, 6.4, 6.5	Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	§§1(a), 3	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Not Applicable	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	§1(a)	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 7.11, 7.15, 9.3, 10.5, 11.2, 11.3, 15.2, 17.6	§§1(a), 1(b)	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Article 7, Article 8	Article 1, Article 2	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Not Applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Not Applicable	Item 8
k. Territorial development and sales quotas	Not applicable	§§ 1(a), 3, 6	Item 12
l. Ongoing product/service purchases	Article 8	Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Not Applicable	Items 6, 7 and 8

Obligation	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
n. Insurance	§ 7.15	Not Applicable	Items 6, 7 and 8
o. Advertising	Article 9	Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Not Applicable	Items 6 and 8
q. Owner's participation / management / staffing	§ 2.4	Not Applicable	Items 15
r. Records and reports	Article 10	Not Applicable	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Not Applicable	Items 6 and 11
t. Transfer	Article 15	Not Applicable	Items 6 and 17
u. Renewal	§ 3.2	Not Applicable	Item 17
v. Post-termination obligations	Article 13, §§ 14.3, 14.4, 14.5, 14.6	Not Applicable	Item 17
w. Non-competition covenants	§ 13.2	Not Applicable	Item 17
x. Dispute resolution	Article 17 and § 18.8	Article 7, Article 8	Items 6 and 17
y. Other (Guarantee of franchisee obligations)	Attachment 3 to Franchise Agreement	Not Applicable	Not Applicable

Item 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

Item 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

<u>Our Pre-Opening Obligations</u>

Before you open your business:

A. *Your site Territory and Development Area.* We will review and advise you regarding potential site locations that you submit to us. We will also designate your Territory. (Sections 2.2, 5.4, and 6.1). If you sign a MUDA, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site. We will also designate your Development Area in the MUDA.

(i) We generally do not own your premises, nor do we lease the premises to the franchisee.

(ii) If your site is not already known and approved by us when you sign your Franchise Agreement, then we and you will specify in your Franchise Agreement the Site Selection Area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you must provide all information and documents about the site that we require.

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 30 days after you submit all of our required documents and information. (Section 6.1). There is no deadline to have an approved location, however, if we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the Oola Shop by the deadline stated in the Franchise Agreement. Unless we agree to extend the deadline, you will be in default, the Franchise Agreement will be terminated, and your initial fee or deposit will be forfeited.

(v) We are not obligated to assist you in conforming the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. *Constructing, remodeling, or decorating the premises*. We will provide you with a set of our standard building plans and specifications and/or standard recommended floor plans, and our specifications for required décor. (Section 5.4)

C. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training employees. All hiring decisions and conditions of employment are your sole responsibility.

D. *Necessary equipment, signs, fixtures, opening inventory, and supplies*. We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your Oola Shop. (Sections 5.4 and 6.7) We do not provide these items directly; we only provide the names of approved suppliers. We do not deliver or install these items.

E. *Brand Standards Manual*. We will give you access to our Brand Standards Manual (Section 5.1) which we may revise during the term of your Franchise Agreement. We may provide all or a portion of the Manual to you electronically, such as via a password-protected website. You will establish your own prices, however, our Manual may include recommendations, or promotional programs in which you must participate.

F. *Initial Training Program*. We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

G. *Business plan review*. If you request, we may review your pre-opening business plan, but we will not do so until after your Franchise Agreement is signed. (Section 5.4)

H. *Grand Opening Marketing*. We will advise you regarding the planning and execution of your Grand Opening Marketing. You agree to expend between $5,000 and $10,000 on Grand Opening Marketing. (Section 9.6)

I. *On-site opening support*. We will have a representative provide on-site support for at least 5 days in connection with your business opening. (Section 5.4)

<u>Time to Open</u>

Franchise Agreement:

The typical length of time between the signing of the Franchise Agreement or first payment of consideration for the Franchise and the opening of the Franchise for business is about six (6) to twelve (12) months. You must complete the mandatory training program and commence your Oola Shop operations within twelve (12) months after you sign the Franchise Agreement. Factors that may affect this time are finding and negotiating for the Oola Shop premises, arranging for the training session, remodeling and equipping the Oola Shop premises, obtaining initial inventory, financing and business permit requirements, and your personal operational needs.

MUDA:

If you sign a MUDA for the right to develop multiple franchises, then you must open and continue to operate each franchise in compliance with the following schedule (the "**Development Schedule**"):

Oola Shop Number	**Deadline for Opening (within number of months after signing the related Addendum)**	**Cumulative Number of Franchises to be Open and in Operation No Later than the Opening Deadline**
1	12 months	1
2	24 months	2
3	36 months	3
4	48 months	4
5 and thereafter	6 months thereafter for each Oola Shop	5, 6, 7, etc.

Our Post-Opening Obligations

After you open your business:

A. *Developing products or services you will offer to your customers*. We reserve the right to refine and develop products or services that you will offer to your customers from the Oola Shop. (Section 5.5).

B. *Hiring and training employees*. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Manual which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. *Improving and developing your business; resolving operating problems you encounter*. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

D. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures*. We may require you to utilize certain in-house resources or a specified third-party provider for accounting, bookkeeping, or lease review in our sole discretion. If we require you to utilize our in-house accounting, bookkeeping, or lease review resources, then you shall be required to pay to us the then-current rate for such services. We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.5). We may make any such procedures part of the required (and not merely recommended) procedures for our system. You may be required to purchase the majority of the food product inventory from us or our affiliate directly.

E. *Brand Development Fund*. We will administer the Brand Development Fund (Section 5.5). Upon your reasonable request in writing, to Brock Snider at 108 Foxshire Drive, Lancaster, PA 17601, we will prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of our fiscal year. (Section 9.3)

F. *Website*. We will maintain a website for the Oola Bowls brand, which will include your Oola Shop's contact business information and telephone number. (Section 5.5)

G. *Pricing*. We may designate the maximum, minimum, promotional, and other prices you may charge for Approved Products and Services, as permitted by applicable law. (Section 5.5) Our designation of pricing is not a guarantee that you will achieve a specific level of sales or profitability.

H. *Manuals*. We will modify and add to the Manuals as we deem appropriate to reflect changes in the business, authorized products or services, or specifications for authorized products and services, equipment requirements, quality standards, and operating procedures.

I. *Inspections*. We will conduct inspections of your Oola Shop and financial records, evaluations of the services provided by your Oola Shop, and interviews with your employees, agents, and customers, all as we deem advisable. (Section 5.1).

J. *Advertising*. We will Approve or disapprove all advertising and promotional plans and other materials displaying our Marks which you desire to use which we have not prepared or previously approved. (Article 9).

Advertising Programs

Brand Development Fund

We will designate all programs that the Brand Development Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Development Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Brand Development Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing. (Section 9.3).

You and all other franchisees must contribute to our Brand Development Fund. Your contribution is 2% of Gross Sales per week. We reserve the right to have other franchisees contribute a different amount or at a different rate. We reserve the right to change the frequency of your Brand Development Fund Contributions. Outlets that we or our affiliates own are not obligated to contribute to the Brand Development Fund. (Section 9.3).

We will account for the Brand Development Fund contributions separately from our other funds and not use the Brand Development Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Brand Development Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Brand Development Fund contributions. The Brand Development Fund will not be our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Brand Development Fund or any other reason. The Brand Development Fund may spend in any fiscal year more or less than the total Brand Development Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Brand Development Fund contributions to pay costs before spending the Brand Development Fund's other assets. We will not use Brand Development Fund contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase “Franchises Available” on any and all advertising/marketing that is covered by the Brand Development Fund. We will prepare an unaudited, annual statement of Brand Development Fund collections and costs and give it to you upon written request. We may incorporate the Brand Development Fund or operate it through a separate entity if we deem appropriate. (Section 9.3).

We are not required to spend any of your Brand Development Fund Contributions in the Territory you are granted under your Franchise Agreement. We are not required to have the Brand Development Fund audited, but we may do so and use the Brand Development Fund Contributions to pay for such an audit. If we do not spend all Brand Development Fund Contributions in a given year, we may rollover any excess contributions into the Brand Development Fund for use during the following year. We will have the right to modify or discontinue the Brand Development Fund, as we deem appropriate in our sole discretion. In the past fiscal year ending December 31, 2023, expended Brand Development Fund Contributions as follows: 9.5% on billboards. The remaining amount will be rolled over for use in 2024.

Advertising Council

Currently, we have not established an advertising council (the "**Advertising Council**"), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Brand Development Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Section 9.7).

Advertising Cooperatives

We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 1% of Gross Sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged. (Section 9.4).

Grand Opening Marketing

You must develop a Grand Opening Marketing plan and obtain our approval of the plan at least 30 days before the projected opening date of your Oola Shop. (Section 9.7).

Local Store Marketing

After you open, you must conduct local marketing in your Territory and you must spend at least 2% of Gross Sales each month on local marketing for your Oola Shop. Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements. (Section 9.5).

We must approve all marketing materials before you use them. You must not advertise or use our Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication, including social media, without our express written consent.

Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12-month period must be submitted to us for our review not later than 15 days before you intend to use it. Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. (Section 9.1).

We have the right to require you to include certain language in your local marketing, such as "Franchises Available" and our website address and phone number.

Website

We alone will maintain a website for the Oola Bowls brand, which will include your Oola Shop's contact business information and telephone number. You may not establish a website that uses or involves the Marks, or any of the Products. (Section 5.5).

You are not permitted to promote your Oola Shop or use any of the Marks in any manner on any digital media, social media, or networking websites, such as Facebook, Foursquare, Instagram, TikTok, LinkedIn or Twitter, without our prior written consent. We will control all digital media initiatives. You must comply with our System Standards regarding the use of digital media in your Oola Shop's operation, including prohibitions on you and the Oola Shop's employees posting or blogging comments about the Oola Shop or the System, other than on digital media established or authorized by us and subject to our standards and specifications. The term "digital media" includes traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to us, your Oola Shop, the Marks, and/or the System. Section 5.5).

We may, at our election and subject to our specifications and requirements, provide access to branded digital media pages/handles/assets. We have the right to conduct collective/national campaigns via local digital media on your behalf. At our election, we alone will be, and at all times will remain, the sole owner of the copyrights to all material that appears on any digital media, including any and all material you may furnish to us. (Section 5.5).

Point of Sale and Computer Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows:

The “Computer System” will include the required POS system (or upgraded/approved POS, approved by us), an iPad, stand holder, receipt printer and cash drawer. Also, you must participate with third-party delivery services such as Grubhub, DoorDash, Uber Eats or other approved delivery service deemed necessary by us. These systems will generate or store data such as items sold, sales data, customer loyalty program (optional), payroll and reporting. (Section 10.2).

We estimate that these systems will cost between $1,000 and $6,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into such contract with a third party, a subscription contract for the POS system. You must upgrade, update, or change any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost for the subscription contract for the POS system software will be $10,000 to $12,000. We estimate that the annual costs incurred by the franchisee for any optional or required maintenance updating, upgrading or support contracts for the cash registers and computer systems will be $11,330.40.

We will have the right to access information and data collected by the required computer system or otherwise related to operation of your Oola Shop, which will include the biographical data you collect from clients, your business and accounting records, and other information that pertains to the operation of the business. You must allow us to access the information remotely. There is no contractual limitation on our right to access this information and data, and we will have independent access to the information generated and stored within the systems. Franchisees must provide monthly financial information and supporting details to us in time for the preparation of financial reports to be delivered by the 21st of each subsequent month. (Sections 4.7 and 10.2).

Additional Investment

We reserve the right to periodically make changes to the System, including products standards, vehicle requirements, signage, equipment, and fixtures requirements. In the event we make any of these types of changes, or your equipment, facilities or your vehicles wear out or become obsolete (including for no longer complying with System standards or requirements), you may have to make, on an as-needed basis, additional investments in your Oola Shop.

Brand Standards Manual

See Exhibit H for the table of contents of our Brand Standards Manual as of the date this disclosure document, with the number of pages devoted to each subject. The Manual currently has 220 pages.

Training Program

Our training program consists of the following:

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding training classes in advance of the opening of the franchisee’s location, doing so remotely, at a corporate location, and at the franchisee’s location once sufficient build-out has been completed and close to being open, as elaborated on in the additional questions below.

We will conduct this training at our corporate headquarters, at one of our affiliates' locations, or at another location we designate. The training may also include virtual/online components.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Origin Story/Core Values	4	0	Lancaster, PA or Franchisee's Location
Policies/New Hire	4	0	Lancaster, PA or Franchisee's Location
Working at the Shop	8	8	Lancaster, PA or Franchisee's Location
Operations/SOP	4	4	Lancaster, PA or Franchisee's Location
Kitchen	4	4	Lancaster, PA or Franchisee's Location
Leadership	4	4	Lancaster, PA or Franchisee's Location
Marketing	4	4	Lancaster, PA or Franchisee's Location
Office/Finance/HR	8	8	Lancaster, PA or Franchisee's Location
TOTALS:	40	32	

The instruction materials consist primarily of our Onboarding Checklist which contains links organized by section for all applicable written procedures, training videos, learning checks referred to as Knowledge Reviews (automatically graded with correct answers provided, with a structure in place requiring successful completion via a minimum score threshold), and a shadowing/coaching checklist and approval process all required to successfully and fully complete the necessary training. Additional instructional material will be provided consisting of additional similar training (additional procedures, additional video training, additional checklists, etc.) for "higher-level" functions required of the franchisee and/or the individual acting as the owner/operator and/or manager of the franchisee.

Training classes will be led by us and our employees, which may include Joe Ferderbar and Phil Dobinson and/or other employees (i.e. a manager, assistant manager, or senior employee who works at a corporate (Affiliate) location. Some aspects of training classes will be self-directed and led by you as you follow the training structure in place that would include video training and the aforementioned instructional materials created by us (so in that sense, it is still being led by the us but completely remotely and/or by pre-recorded materials listed in the Onboarding Checklist).

Joe Ferderbar and Phil Dobinson have experience with us dating back to our affiliate's inception in 2018 and experience in the industry of at least four (4) years. Additional and/or substitute instructors may have various lengths of experience depending on the individual delegate, but they would typically have minimally one (1) year of experience, if not more, and have had successfully completed both their own training and facilitation of others' training in the past.

There is no fee for up to two (2) people to attend training, which typically includes you and one additional team member. You must pay the travel and living expenses of your employees or managers attending training.

You must attend and complete training to our satisfaction. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least four weeks before opening your Oola Shop. You will be required to pass a test that evaluates your understanding for the content and franchise operating content as covered in the training program. Should you fail to pass the test or complete the initial training, we have the right to terminate the Franchise Agreement with no refund of the initial franchise fee.

Your Oola Shop must at all times be under your on-site supervision or under the on-site supervision of your General Manager who has completed our training program. If you need to send a new General Manager to our training program, we will charge our then-current training fee, plus expenses, which is listed in Item 6. Our current per person training fee is $600 per day.

Otherwise, we do not currently require additional training programs or refresher courses, but we reserve the right to do so.

If you do not meet the opening deadline described above, then we may terminate the Franchise Agreement. (Section 14.2).

Item 12
TERRITORY

Franchise Agreement: Territory

You will be granted the right to own and operate an Oola Shop at a specific site approved by us. ("**Accepted Location**"). Once your site is approved, you will receive a territory (the "**Territory**"), which will be a two (2)-mile radius from the site if it is located in a suburban or rural area or it will be a five (5) city block radius if the site if it is located in an urban area. We may use boundaries (such as county lines or other political boundaries, streets, geographical features, or trade area) to delineate the Territory.

If you are granted the right to operate a Satellite Shop, then you will receive a certain area within which you may operate the Satellite Shop, which will typically include the enclosure of the area within which the Satellite Shop is to be located (e.g. if the Satellite Shop is in a farmers' market, then the Satellite Territory would be the entire farmers' market).

If the Satellite Shop is mobile (e.g. a food truck) then the Satellite Shop may engage in approved off-premises special events, activities, or sales, including specialty parties, festivals, and business events (each, a "Mobile Event") in the Territory in accordance with the terms of the Satellite Mobile Addendum. The Satellite Shop cannot be used for Mobile Events or Catering Activities within the Territory of another Oola Shop unless you have complied with the standard procedures for conducting a Mobile Event (including the Mobile Event Request approval process and we have approved the Mobile Event Request).

If the Accepted Location is known at the time that you sign the Franchise Agreement, then we may delineate your Territory in your Franchise Agreement before you sign it.

Territory Rights

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. However, during the term of the Franchise Agreement, provided that you are not in default of your obligations to us or our affiliates and except as to our Reserved Rights set forth below, we will not establish or open and we will not grant another franchisee the right to establish or open an Oola Bowls location within your Territory with the following exception: we reserve the right to place Franchisor or affiliate owned or franchised Oola Shops at "nontraditional venues," such as airports, casinos, arenas, hospitals, hotels, malls, military installations, national parks, schools, stadiums and theme parks, within your Territory. We may also acquire or be sold to a competing franchise system, which may or may not include restaurants in your Territory.

There are no restrictions on us from soliciting or accepting orders from consumers inside your Territory. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Territory using our principal trademarks or using trademarks different from the ones you will use under your Franchise Agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your Territory.

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, we and our affiliates reserve the right to do so in the future.

You may solicit and accept orders from consumers outside of your Territory, except that all marketing and advertising is subject to our approval.

Soliciting by You Outside Your Territory

You are required to target and direct the marketing of your Oola Shop to customers located within your Territory. You may only offer and sell Approved Products and Services from your Oola Shop location located within your Territory and, only to (a) retail customers for consumption on the premises of your Oola Shop location, (b) personal carryout from your Oola Shop location, (c) delivery, if authorized by us, to customers located within your Territory, and (d) catering, if authorized by us, to customers physically located within your Territory.

You may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by other communications. While you may, subject to our System standards and approval process, place advertisements in printed media, digital media, and on television and radio that are targeted to customers and prospective customers located within your Territory, you will not be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the media viewed or received by prospective customers outside of your Territory.

MUDA: Development Area

If you are granted the right to open multiple Oola Shops under our form of MUDA, then we will provide you with a Development Area. The size of your Development Area will substantially vary from other System developers based on the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area will be described in terms of zip codes and delineated on a map attached to the MUDA. The Development Area will not be exclusive in that we may operate Oola Bowls locations within the Development Area and also licenses others the right to operate Oola Bowls locations within the Development Area.

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.

Each Oola Shop that you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct location located within the Development Area; and (ii) within its own Territory that we will define once the location for that Oola Shop has been approved.

You must comply with your development obligations under the MUDA, including your Development Schedule, in order to maintain your rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your MUDA and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

Reserved Rights

We and our affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement/MUDA: (i) establish and operate, and license any third party the right to establish and operate, other Oola Shops using the Marks and System at any location outside of your Territory/Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Oola Shop under a different trademark or trademarks at any location, within or outside the Territory/Development Area; (iii) use the Marks and System, other such marks we designate, to distribute our approved products and/or services in any alternative channel of distribution, within or outside the Territory/ Development Area (including the Internet, mail order, catalog sales, toll-free numbers, wholesale stores, etc.); (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the products offered by an Oola Shop (but under different marks), within or outside your Territory/ Development Area; (v) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement/MUDA; and (vi) own and operate Oola Shops in "Nontraditional Sites" including, but not limited to, enclosed shopping malls, amusement parks, military bases, college campuses, hospitals, airports, sports arenas and stadia, train stations, travel plazas, toll roads and casinos, both within or outside your Territory/Development Area.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your Oola Shop, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of an Oola Shop on case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

You do not have the right to establish additional franchised outlets unless you sign a MUDA in the form attached as Exhibit C to this Disclosure Document. If you and we sign a MUDA, then you will have the right to establish a mutually agreed number of additional outlets on a mutually-agreed schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Oola Bowls business, (3) you must be in compliance with all brand requirements at your open Oola Bowls business(es), and (4) you must not be in default under any other agreement with us. We will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. You are not obligated to develop additional outlets under the MUDA, and you may terminate it any time without penalty. If you do not meet your development schedule in the MUDA, we have the right to terminate your right to develop additional outlets.

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Item 13
TRADEMARKS

We sub-license you the right to use the marks OOLA BOWLS and other commercially valuable trademarks and trade names now or hereafter used in the operation of the System and Oola Shops (collectively, the "**Marks**") in connection with the operation of your Oola Shop.

The following Mark has been registered with the United States Patent and Trademark Office on the principal register, and the owner of the Mark has filed all required affidavits of use and applications for renewal and such affidavits have been accepted (if and as necessary).

Trademark	Registration Date	Registration Number
Oola Bowls	January 18, 2022	6,618,817
Oola Sorbet	April 11, 2023	7022812
OOLA BOWLS	July 9, 2024	7437878

The Marks are owned by Oola Bowls, LLC, our affiliate. Under an Intercompany License Agreement between us and Oola Bowls, LLC we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (i) we materially misuse the trademarks and fail to correct the misuse, or (ii) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. Other than the Intercompany License Agreement, there currently are no effective agreements that limit our rights to use or license the use of the Marks in a manner that is material to the franchise.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There are no pending infringement, opposition, or cancellation proceedings. There is no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

We protect your right to use the Marks listed in this Item, and we protect you against claims of infringement or unfair competition arising out of your use of the Marks, to the extent described in this Item.

The Franchise Agreement obligates you to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a Mark licensed to you. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving a Mark licensed by us to you.

You and your Principals are not permitted to communicate with any person other than us, or any designated affiliate, our counsel and your counsel involving any infringement, challenge or claim. We maintain the exclusive discretion to take any and all actions or, to refrain from any action, that we believe to be appropriate in response to any trademark infringement, challenge or claim. As between us, we possess the sole right to exclusively control any and all litigation, legal proceedings, administrative proceedings and/or settlements involving any actual or alleged infringement, challenge or claim relating to the Marks. You must sign all documents, instruments and agreements and undertake the actions that we, with the advice of our legal counsel, determine to be necessary or advisable for the protection or maintenance of our interests in the Marks in any legal proceeding, administrative proceeding or as may be otherwise determined by us. As to the foregoing, we will reimburse you for the reasonable out-of-pocket administrative expenses that you incur and pay in complying with our written instructions.

We will indemnify you against and reimburse you for all damages for which you are held liable for your use of any of the Marks, provided that the conduct of you and your Principals in the proceeding and use of the Marks is in full compliance with the terms of the Franchise Agreement.

Except as provided above, we are not obligated by the Franchise Agreement to protect any rights granted to you to use the Marks or to protect you against claims of infringement or unfair competition with respect to them. Although we are not contractually obligated to protect the

Marks or your right to use them, as a matter of corporate policy we intend to defend the Marks vigorously.

We may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems and indicia of origin if we determine that an addition or substitution will benefit the System.

You are prohibited from using the Marks on the Internet, World Wide Web, or any other means of electronic communication now existing or developed in the future without our express written approval, which may be withheld at our sole discretion. We reserve the sole right to use the Marks on the Internet, World Wide Web, and any other means of electronic communication now existing or developed in the future.

We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

Except as provided in the Franchise Agreement, you will not use or give others permission to use the Marks, or any colorable imitation of them, combined with any other words or phrases. You and your owners, officers, and agents will not form or participate in the formation of any company, firm, corporation, or other entity having a name containing the words of the Marks. You may not combine or associate any name or symbol of the Marks with any other name or word in any advertising or sign. The Marks must be used in exact conformity with our written specifications that we may modify periodically.

The license to use the Marks granted in the Franchise Agreement is non-exclusive to you. We have and retain certain rights in the Marks including the following:

1. To grant other licenses for the use of the Marks in addition to those licenses already granted or to be granted to franchisees;

2. To develop and establish other systems using the Marks or other names or marks, and to grant licenses or franchises in those systems without providing any rights to you; and

3. To engage, directly or indirectly, at wholesale, retail or otherwise, in (a) the production, distribution, license and sale of products and services and (b) the use of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics we may develop for that purpose.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

Confidential Brand Standards Manual

You must operate the Shop in accordance with the System Standards specified in the Manual. One copy of the Manual will be loaned to you by us for the term of the Franchise Agreement. We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically via a password protected intranet. You must treat the Manual and any other manuals we create or approve for use in your operation of the Shop, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manual remains our sole property and must be kept in a secure place on the Shop premises. We may revise the contents of the Manual and you must comply with each new or changed standard. You must also ensure that the Manual is kept current at all times. If there is a dispute regarding the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

We claim proprietary rights in certain of our recipes which are included in the Manual and which are our trade secrets. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you, including the Manual, plans and specifications, marketing information and strategies and site evaluation, selection assistance and techniques, recipes, and the terms of your agreement with us, are considered confidential. We claim copyrights in our Brand Standard Manual, other instructional materials, various menus, various sales, management and training materials, and various advertising and marketing materials that we currently own or will create in the future. The copyrights in the foregoing materials have not been registered with the United States Copyright Office, nor are any applications pending for copyright registration. You may use these copyrighted materials during the term of the Franchise Agreement, in a manner consistent with our ownership rights, solely for your Oola Shop.

We have a proprietary, confidential Brand Standards Manual and related materials that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the Oola Shop is owned by an entity) must protect the confidentiality of our Brand Standards Manual and other proprietary information, and you must use our confidential information only for your Oola Shop.

We will require that you and all of your employees who have access to our trade secrets or other proprietary information sign non-disclosure agreements in a form acceptable to us. Failure to maintain the confidentiality and/or the unauthorized use or disclosure of this information may lead to civil or criminal prosecution as well as the termination of the Franchise Agreement.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The Franchise Agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights, at your expense.

We do not know of any copyright infringement that could materially affect you.

All new products, items, services and other developments, whether they be of our original design or variations of existing services or techniques, or your original design or variations of existing services or techniques, will be deemed a work made for hire and we will own all rights in them. If they do not qualify as works made for hire, you will assign ownership to us under the Franchise Agreement. You will not receive any payment, adjustment or other compensation in connection with any new products, items, services or developments. If you, your Principals, General Manager, or employees develop any new concept, process or improvement in the operation or promotion of the Shop, you must promptly notify us and give us all necessary information, free of charge. You, your Principals, General Manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

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

We will grant the Franchise Agreement to you in reliance on you and your Principals' personal and collective business skills and financial capacity, and your rights and obligations may not be transferred without our written consent. You must designate (a) a Principal that will be our main point of contact ("**Designated Owner**") and (b) a general manager who will be the main individual responsible for your business (the "**General Manager**").

You must remain ultimately responsible for the operation of the Oola Shop in compliance with the Franchise Agreement and should exercise oversight and be informed about the operations of the Oola Shop, but you (or your Principals) are not required to take any specific role in day-to-day operations or to participate personally in direct operations on the premises, if you designate a General Manager, who may be your employee, who shall devote full time and attention to the management and operation of the Oola Shop. Either you or your General Manager must have direct experience in retail food service acceptable to us. The General Manager may be any qualified individual who attends and successfully completes our initial training program. The individual need not be one of your owners and does not need to have any equity interest if you are a corporation, partnership, or limited liability company. If, at any time for any reason, the General Manager no longer qualifies, you must promptly designate another General Manager subject to the same qualifications listed above and notify us.

Management responsibility includes, maintaining the highest standards of service, quality, and consistency; maintaining the Oola Shop in the highest condition of sanitation, cleanliness, and appearance; and supervising employees to ensure that the highest standard of service is provided and to insure that your employees deal with customers, suppliers, us, and all other persons in a courteous and polite manner.

You are solely responsible for all employment decisions and functions for your Oola Shop, including, without limitation, those related to hiring, firing, remuneration, compensation, personnel policies, training, benefits, insurance, compliance with wage and hour requirements, recordkeeping, and the supervision and discipline of employees. The people that you hire to work in your Oola Shop will be your agents and employees. They are not our agents or employees and we are not a joint employer of those persons. You must clearly inform all workers, before hiring and periodically thereafter, that you, and not we, are their employer and that we do not assume and will not accept any employer, co-employer, or joint employer obligations.

If you are a corporation, partnership, or limited liability company, all Principals owning 5% or more of your ownership interests must personally guarantee your obligations under the Franchise Agreement by signing the Guaranty attached to the Franchise Agreement. In addition, your partners, owners, officers, directors, managers, and members must also agree to be personally bound by, and personally liable for the confidentiality and non-competition provisions of the Franchise Agreement and/or MUDA, and sign the Covenant Agreement, and the Confidentiality Agreement, all as described in Item 14 and Item 17. Your owners must also agree to certain restrictions on the transfer of their ownership interests.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only products authorized by us and you must offer all of the menu items designated by us to be offered as part of the System in the manner and style we require, which we may modify from time to time. Based on the physical location of the space, a Satellite Shop may offer a limited menu. There are no limitations on our rights to modify the System. Only properly trained personnel may prepare the menu items, and they must do so strictly in accordance with the recipes and methods of handling and production described in the Operations Manual. You are prohibited from using the premises for any purpose other than the operation of an Oola Shop. You may only sell products at retail and may not engage in the wholesale or distribution of any product.

You must offer and sell all menu items required by us and perform all services that we periodically require. You must comply with the System Standards if we supplement, improve or modify the System, including offering and selling new or different Products that we specify. We may change the types of authorized Products, and there are no limits on our right to make changes.

You must maintain in sufficient supply and use and sell only the food and beverage items, ingredients, proprietary products, merchandise, other products, materials, supplies, and paper goods that conform to our standards and specifications. You must prepare all menu items according to our recipes and procedures for preparation contained in the Manual or other written instructions, including the measurements of ingredients. You must not deviate from our standards and specifications by the use or offer of nonconforming items or differing amounts of any items, without first obtaining our written consent. We have the right to vary the menu items offered at certain Oola Bowls locations based on regional or local tastes or ingredients. If we allow an Oola Shop to modify its menu to accommodate regional or local tastes or ingredients, we are not required to grant to you a similar variance or modification.

You must keep the Shop very clean and maintain it in good repair and condition. You must make any additions, alterations, repairs and replacements, including repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct. You must not make any changes to the premises without obtaining our written consent before you make the changes. You must obtain and pay for any new or additional equipment, including point of sale, computer hardware and software, fixtures, supplies and other products and materials that you must have to offer and sell new menu items from the Oola Shop.

We have the right to determine the maximum prices for the goods, products and services offered from your Oola Shop, as permitted by applicable law. You must comply with the prices required by us, but we make no guarantees or warranties that offering the products or merchandise at the required price will enhance your sales or profits. You are not permitted to offer customer discounts for cash payments, and you are not permitted to issue surcharges to customers for payments made by credit card, unless we provide our prior written permission.

We do not impose any limitations on the customers to whom you may sell approved goods and services at your Oola Shop, other than all sales must be made from the Oola Shop.

We have the right to add additional products or services to the list of items you must sell at your Oola Shop. Moreover, **we** may require you to modernize or remodel your Oola Shop to meet System Standards. There are no limits on **our** right to do so.

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

Provision	Section in Franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years.
b. Renewal or extension of the term	§ 3.2	2 additional 5-year terms.

Provision	Section in Franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	§ 3.2	Conditions for Renewal: (i) notice; (ii) you are in compliance with the Franchise Agreement; (iii) you agree to make the required renovations to the Oola Shop; (iv) you execute our then-current form of Franchise Agreement (which may contain materially different terms and conditions from the original Franchise Agreement); (v) you execute a general release; and (vi) you pay a renewal fee. “Renewal” means entering into a new franchise agreement with the Franchisor for an additional, successive term.
d. Termination by franchisee	§ 14.1	You may terminate the Franchise Agreement if you are in compliance and Franchisor materially breaches the Franchise Agreement and fails to cure within 30 days of receiving your written notice.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	§ 14.2 (a) and (b)	We may terminate your agreement for cause, subject to any applicable notice and cure opportunity.
g. “Cause” defined--curable defaults	§ 14.2(a) and (b)	We may terminate your Franchise Agreement after providing you with notice and an opportunity to cure for: Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. “Cause” defined--non-curable defaults	§ 14.2(c)	We may terminate your Franchise Agreement without providing an opportunity to cure for: (i) material misrepresentation; (ii) you knowingly submit a false report; (iii) bankruptcy; (iv) failure to open by the opening deadline; (iv) loss of possession of the Location; (vi) violation of confidentiality or non-competition provisions or unauthorized transfer; (vii) abandonment; (viii) slander or libel of the Oola System; (ix) refusal to permit an audit; (x) anger to public health or safety (after 48 hour cure period); (xi) two or more notice of default in any 12 month period; (xii) termination of any other agreement with you; (xiii) felony charge; (xiv) action that materially affects the Oola brand; (xv) deterioration of financial condition; (xvi) attachment or encumbrance of the credit card receipts of the Oola Shop; (xvii) 30-day delinquency in

Provision	Section in Franchise or other agreement	Summary
		the payment of any amount due to any landlord; (xviii) 30-day delinquency in the payment owed to any vendor; and (xix) failure to provide required records.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Your obligations generally include: (i) payment of all amounts owned; (ii) return all copies of Oola Bowls materials; (iii) notify all business listings; (iv) cease operating and cease using any Marks.
j. Assignment of agreement by franchisor	§ 15.1	There are no restrictions on our right to transfer.
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest in the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.
m. Conditions for franchisor's approval of transfer	§ 15.2	Transfer conditions include: payment of a transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release; business complies with then-current system specifications (including remodel, if applicable).
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	We may match any offer for your Oola Shop or ownership interest in you or entity that controls you. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earnout payments), and the proposed transaction must relate exclusively to an interest in the rights granted by the Franchise Agreement and the Oola Shop (or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in the entity with a

Provision	Section in Franchise or other agreement	Summary
		controlling ownership interest in you. It may not relate to any other interests or assets.
o. Franchisor's option to purchase franchisee's business	§ 15.8	You must notify us in advance of your desire to sell or transfer. Upon expiration, non-renewal, or termination of the Franchise Agreement, we have the right to notify you of our election to exercise a "Call Option" (see Exhibit F to this Disclosure Document) to acquire the Oola Shop and all of its assets. We will notify you of that election no earlier than 30 days before, and no later than 30 days after, the effective date of expiration, non-renewal or termination (as applicable). If we exercise this Call Option, then you and we will enter into an Asset Purchase Agreement in the form attached to the Call Option Exhibit.
p. Death or disability of franchisee	§ 15.4	If the Designated Owner and/or General Manager die or become incapacitated, a new Designated Owner or General Manager, as necessary, acceptable to us must be designated to operate the business, and your executor must transfer the business to an approved new owner within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2(a)	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by, any competitor.
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2(b)	For two years, neither you, any owner of the business, or any spouse of an owner may have ownership interest in, lend money or provide financial assistance to, provide services to, or be employed by a competitor located within five miles of your former territory or the territory of any other Oola Bowls business operating on the date of termination.
s. Modification of the agreement	§ 18.4	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, no claim made in any franchise agreement is intended to

Provision	Section in Franchise or other agreement	Summary
		disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Lancaster, Pennsylvania) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Pennsylvania (subject to applicable state law).

B. MUDA

Provision	Section MUDA or other agreement	Summary
a. Length of the franchise term	§ 1	The Development Schedule will dictate the amount of time you have to open a specific number of Oola Shops, which will differ for each Developer and will be specified in Exhibit A of the MUDA.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 4	We may terminate the MUDA for cause, subject to any applicable notice and cure opportunity.
g. "Cause" defined--curable defaults	Not Applicable	Not Applicable

Provision	Section MUDA or other agreement	Summary
h. "Cause" defined--non-curable defaults	§ 4	We may terminate your MUDA without providing an opportunity to cure for failure to meet development schedule; violation of franchise agreement or other agreement which gives us the right to terminate it.
i. Franchisee's obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of agreement by franchisor	§ 9	There are no restrictions on our right to transfer.
k. "Transfer" by franchisee - defined	Not Applicable	Not Applicable
l. Franchisor's approval of transfer by franchisee	Not Applicable	The MUDA may not be transferred.
m. Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	§ 19	No modification or amendment of the MUDA will be effective unless it is in writing and signed by both parties.
t. Integration/merger clause	§ 19	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement (or MUDA) may not be enforceable. However, no claim made in

Provision	Section MUDA or other agreement	Summary
		any franchise agreement (or MUDA) is intended to disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 7	All disputes are resolved by mediation (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§ 7	Mediation will take place where our headquarters is located (currently, Lancaster, Pennsylvania) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 7	Pennsylvania (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following chart contains financial performance information for the one Oola Bowls business owned by our affiliate that was open for the entire years of 2021, 2022, and 2023 and operates with a drive-thru and otherwise as an Oola Shop would operate. During 2023, there were a total of six affiliate locations and three franchisee locations operating. Five affiliate locations were excluded for the following reasons (a) four affiliates, because they do not operate in the same manner as a Franchised Location and/or have smaller footprint than a standard Franchised Location (i.e. located in an amusement park and/or operate out of a location smaller than 2,000 square feet); (b) one affiliate location, opened mid-year in 2023. Three franchisee locations were excluded for the following reasons (a) one franchised Oola Shop, opened mid-year in 2023, (b) one franchised Oola Shop opened mid-year in 2023 and operates out of a location smaller than 2,000 square feet and (c) one franchised Oola Shop operates with limited weekly hours. All of the locations are located in Pennsylvania.

Gross Sales during 2021, 2022, and 2023

	2021	2022	2023
Gross Sales	$1,037,821	$1,462,677	$1,796,625
Percentage Growth	N/A	40.93%	22.83%

"Gross Sales" means total of all revenue in a period, not including discounts, taxes, tips/gratuity, voids, or refunds.

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

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Oola Bowls does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you 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, Joseph E. Jacobs-Ferderbar, 108 Foxshire Drive, Lancaster, PA 17601, and 716-818-5336, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION
Table 1
Systemwide Outlet Summary
For Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	0	0
	2022	0	1	+1
	2023	1	3	+2
Company-Owned	2021	4	5	+1

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
	2022	5	6	+1
	2023	6	6	0
Total Outlets	2021	4	5	+1
	2022	5	7	+2
	2023	7	9	+2

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
Totals	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3

Table 4
Status of Company-Owned and Affiliate-Owned Outlets
For Years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Pennsylvania	2021	4	1	0	0	0	5
	2022	5	1	0	0	0	6
	2023	6	1	0	1*	0	6
Totals	2021	4	1	0	0	0	5
	2022	5	1	0	0	0	6
	2023	6	1	0	1*	0	6

*This outlet was located inside a farmers' market that closed in 2023.

Table 5
Projected Openings As Of December 31, 2023

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Pennsylvania	3	3	3
Totals	3	3	3

Exhibit I contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Exhibit I contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us the 10 weeks before this Disclosure Document issuance date.

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

In the last three fiscal years, one (1) current or former franchisee signed a contract, order, or settlement provision that directly or indirectly restrict them from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21
FINANCIAL STATEMENTS

Exhibit G contains our (i) unaudited opening day balance sheet as of March 1, 2022, (ii) our audited financial statement for the fiscal year ending December 31, 2022; (iii) our audited balance sheet and profit and loss statement for the period ending December 31, 2023; and (iv) our unaudited balance sheet and statement of operations for the period ending March 31, 2024. Our fiscal year end is December 31 of each year. The franchisor has not been actively in business for three years or more and cannot include all the financial statements required by the Rule for its last three fiscal years.

Item 22
CONTRACTS

Copies of all proposed agreements used by us regarding this franchise offering are attached to this Disclosure Document as the following Exhibits:

B. Franchise Agreement
C. MUDA
D. Rider to Lease Agreement and Collateral Assignment of Lease
E. Form of General Release
F. Call Option Details
K. State Addenda to Agreements

Item 23
RECEIPTS

The last two pages of this Disclosure Document contain a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign and date both copies of the receipt. You should retain one signed and dated copy for your records and return the other signed copy to us at 108 Foxshire Drive, Lancaster, Pennsylvania 17601 or info@oolabowls.com.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 1515 K Street Suite 200 Sacramento, CA 95814-4052 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE	
1. Franchisee	
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FRANCHISE AGREEMENT

This Agreement is made between Oola Bowls Franchising, LLC, a Pennsylvania limited liability company ("Oola Bowls Franchising"), and Franchisee effective as of the date signed by Oola Bowls Franchising (the "Effective Date").

Background Statement:

A. Oola Bowls Franchising and its affiliate Oola Bowls, LLC, have created and own a system (the "System") for developing and operating an acai bowl and smoothie business, under the trade name "Oola Bowls".

B. The System includes (1) methods, procedures, and standards for developing and operating an Oola Bowls business, (2) plans, specifications, equipment, signage and trade dress for Oola Bowls businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Oola Bowls Franchising from time to time.

C. The parties desire that Oola Bowls Franchising license the Marks and the System to Franchisee for Franchisee to develop and operate an Oola Bowls business on the terms and conditions of this Agreement.

ARTICLE 1. **DEFINITIONS**

"**Action**" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

"**Approved Vendor**" means a supplier, vendor, or distributor of Inputs which has been approved by Oola Bowls Franchising.

"**Brand Development Fund**" means the fund established (or which may be established) by Oola Bowls Franchising into which Brand Development Fund Contributions are deposited.

"**Business**" means the Oola Bowls business owned by Franchisee and operated under this Agreement.

"**Competitor**" means any business which offers acai bowls and smoothies.

"**Confidential Information**" means all non-public information of or about the System, Oola Bowls Franchising, and any Oola Bowls business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

"**Gross Sales**" means the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit and payment by a customer for a gift card. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business.; or (vi) the redemption amount of a gift card.

“**Input**” means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

“**Location**” means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Section 6.1.

“**Losses**” includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Oola Bowls Franchising’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the 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.

“**Manual**” means Oola Bowls Franchising’s confidential Brand Standards Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

“**Marks**” means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Oola Bowls Franchising from time to time for use in an Oola Bowls business.

“**Owner**” means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

“**Remodel**” means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Oola Bowls business.

“**Required Vendor**” means a supplier, vendor, or distributor of Inputs which Oola Bowls Franchising requires franchisees to use.

“**System Standards**” means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Oola Bowls Franchising, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating days, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

“**Territory**” means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Section 6.1.

"**Transfer**" means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) any direct or indirect ownership interest in the Business, or (iv) control of the Business.

ARTICLE 2. **GRANT OF LICENSE**

2.1 Grant. Oola Bowls Franchising grants to Franchisee the right to operate an Oola Bowls business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Section 6.1. Franchisee shall develop, open and operate an Oola Bowls business at the Location for the entire term of this Agreement.

2.2 Protected Territory. Oola Bowls Franchising shall not establish, nor license the establishment of, another business within the Territory selling the same or similar goods or services under the same or similar trademarks or service marks as an Oola Bowls business. Oola Bowls Franchising retains the right to:

(i) establish and license others to establish and operate Oola Bowls businesses outside the Territory, notwithstanding their proximity to the Territory or their impact on the Business;

(ii) operate and license others to operate businesses anywhere that do not operate under the Oola Bowls brand name; and

(iii) sell and license others to sell products and services in the Territory through channels of distribution (including the internet) other than Oola Bowls outlets.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Oola Bowls Franchising within 10 days.

2.4 General Manager/Designated Owner. Franchisee agrees that the person designated as the "General Manager" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. Franchisee agrees that the person designated as the "Designated Owner" on the Summary Page is the main point of contact for the Franchisor. The General Manager and Designated Owner may be the same person. The Designated Owner must have at least 10% ownership interest in Franchisee. The General Manager is not required to have any equity interest in the Franchisee. The Designated Owner does not have to serve as a day-to-day general manager of the Business, but the General Manager must devote substantial time and attention to the Business. If the General Manager and/or Designated Owner dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business or the main point of contact, as applicable, Franchisee shall promptly designate a new General Manager or Designated Owner, as applicable, subject to Oola Bowls Franchising's reasonable approval.

2.5 Guaranty. If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Oola Bowls Franchising, in the form of Attachment 3.

2.6 No Conflict. Franchisee represents to Oola Bowls Franchising that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

ARTICLE 3. **TERM**

3.1 Term. This Agreement commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 2 additional periods of 5 years each, subject to the following conditions prior to each expiration:

(i) Franchisee notifies Oola Bowls Franchising of the election to renew between 90 and 180 days prior to the end of the term;

(ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Oola Bowls Franchising (or any of its affiliates) at the time of election and at the time of renewal;

(iii) Franchisee has made or agrees to make (within a period of time acceptable to Oola Bowls Franchising) renovations and changes to the Business as Oola Bowls Franchising requires (including a Remodel, if applicable) to conform to the then-current System Standards;

(iv) Franchisee and its Owners execute Oola Bowls Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;

(v) Franchisee and each Owner executes a general release (on Oola Bowls Franchising's then-standard form) of any and all claims against Oola Bowls Franchising, its affiliates, and their respective owners, officers, directors, agents and employees;

(vi) Pay Franchisor's then-current renewal fee, which is currently $10,000.

ARTICLE 4. **FEES**

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

4.2 Royalty Fee. Franchisee shall pay Oola Bowls Franchising a weekly royalty fee (the "Royalty Fee") equal to 6% of Gross Sales. The Royalty Fee for any given week is due on the Tuesday of the following week.

4.3 Brand Development Fund Contributions.

(a) Brand Development Fund Contribution. Franchisee shall pay Oola Bowls Franchising a contribution to the Brand Development Fund (the "Brand Development Fund Contribution") equal to 2% of Franchisee's Gross Sales (or such lesser amount as Oola Bowls Franchising determines), at the same time as the Royalty Fee.

(b) Market Cooperative Contribution. If the Business participates in a Market Cooperative, then Franchisee shall contribute to the Market Cooperative a percentage of Gross Sales (or other amount) determined by the Market Cooperative, not to exceed 1%.

4.4 Replacement / Additional Training Fee. If Franchisee sends an employee to Oola Bowls Franchising's training program after opening, Oola Bowls Franchising may charge its then-current training fee. As of the date of this Agreement, the training fee is $600 per day.

4.5 Non-Compliance Fee. Oola Bowls Franchising may charge Franchisee $500 for any instance of non-compliance with the System Standards, Franchisor's policies or this Agreement (other than Franchisee's non-payment of a fee owed to Oola Bowls Franchising) which Franchisee fails to cure after 30 days' notice. Thereafter, Oola Bowls Franchising may charge Franchisee $250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Oola Bowls Franchising's internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Oola Bowls Franchising's other rights and remedies (including default and termination under Section 14.2).

4.6 Reimbursement. Oola Bowls Franchising may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Oola Bowls Franchising does so or intends to do so, Franchisee shall pay such amount plus a 10% administrative charge to Oola Bowls Franchising within 15 days after invoice by Oola Bowls Franchising accompanied by reasonable documentation.

4.7 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Development Fund Contribution, and any other amounts owed to Oola Bowls Franchising by pre-authorized bank draft or in such other manner as Oola Bowls Franchising may require. Franchisee shall comply with Oola Bowls Franchising's payment instructions. Franchisor reserves the right to change the manner and frequency of Royalty Fee payments, Brand Development Fund Contributions and any other fees owed by Franchisee to Franchisor.

(b) Calculation of Fees. Franchisee shall report weekly Gross Sales to Oola Bowls Franchising by the Monday of the following week. If Franchisee fails to report weekly Gross Sales, then Oola Bowls Franchising may withdraw estimated Royalty Fees and Brand Development Fund Contributions equal to 125% of the last Gross Sales reported to Oola Bowls Franchising, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Oola Bowls Franchising has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a $100 "late fee" plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Oola Bowls Franchising may charge $100 for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs incurred by Oola Bowls Franchising (including reasonable attorney fees) in attempting to collect payments owed by Franchisee.

(f) Application. Oola Bowls Franchising may apply any payment received from Franchisee to any obligation and in any order as Oola Bowls Franchising may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Oola Bowls Franchising any fees or amounts described in this Agreement are not dependent on Oola Bowls Franchising's performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

4.8 Additional Fees

(a) Relocation Fee. If Franchisee requests to relocate its Oola Shop, then Franchisee must pay to Franchisor a relocation fee of $2,500 plus Franchisor's out-of-pocket expenses in approving the relocation.

(b) Management Fee. If and when Franchisor steps in an operates the Oola Shop on Franchisee's behalf, then Franchisee shall be required to pay to Franchisor a management fee of fifteen percent (15%) of the Gross Sales of the Oola Shop during the period that Franchisor is operating the Oola Shop.

(c) Third-Party Delivery Fee. If customers of the Oola Shop use Franchisor's website to order items for delivery, then Franchisor reserves the right to auto-debit a transaction fee, which Franchisor will remit to its third-party vendor that facilitates the online delivery program. This fee is currently $6.00 to $9.00 per delivery, varying based on the delivery distance. This fee is subject to change upon written notice to Franchisee.

(d) Online Ordering Fees. Franchisor reserves the right to charge a fee to cover credit card, patent licensing, e-commerce, sales tax software, and authentication fees, the majority of which Franchisor will remit to respective third-party vendors. This fee is currently $0.30 per transaction and 3.75% of the sale of each such transaction. This fee is subject to change upon written notice to Franchisee.

(e) Technology Fee. The continuing monthly technology fee is an administrative technology fee that we may collect and may use, at our discretion, to help defray the costs of or otherwise provide consideration for technology products and services that we decide to associate or utilize in connection with the System.

(f) On-Site Evaluation Fee. At Franchisor's election, Franchisor may conduct one on-site evaluation of the location Franchisee proposes for the Oola Shop before Franchisor approves it for the Oola Shop. If Franchisor so elects, then Franchisee shall pay a fee equal to $600 per day, plus reimbursement of Franchisor's representative's reasonable costs incurred.

(g) Mystery Shopper Fee. The mystery shopper program is separate from Franchisor's programs for customer surveys and customer satisfaction audits that may require Franchisee to accept coupons from participating customers for discounted or complimentary items. Franchisor reserves the right to charge a fee for this program, which shall be not less than $400 per month.

(h) Oola Bowls Annual Business Meeting. Franchisee will be responsible for its expenses in attending the Annual Business Meeting and Franchisor may charge a registration fee for each Annual Business Meeting.

(i) Guest Complaint Resolution Fee. If Franchisor receives a complaint from one of Franchisee's guests, then Franchisor reserves the right to require Franchisee to pay the then-current Guest Complaint Resolution Fee plus face value of any gift card sent. This fee is currently $25 per resolution and is subject to change upon written notice to Franchisee.

(j) Special Support Fee. If Franchisor provides in-person support to Franchisee in response to Franchisee's request, then Franchisor may charge a fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support). The current rate is $600 per trainer per day, which is subject to change upon notice to Franchisee.

(k) Virtual Support Fee. If Franchisor provides virtual or remote support to Franchisee in response to Franchisee's request, then Franchisor may charge an hourly fee. The current rate is $100 per hour, which is subject to change upon notice to Franchisee.

ARTICLE 5. **ASSISTANCE**

5.1 Manual. Oola Bowls Franchising shall make its Manual available to Franchisee.

5.2 Assistance in Hiring Employees. Oola Bowls Franchising shall provide its suggested staffing levels to Franchisee. Oola Bowls Franchising shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Oola Bowls Franchising shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees. Franchisee must hire all employees of the Oola Shop and is solely responsible for the terms of their work, training, compensation, management, promotions, terminations and oversight. System Standards may regulate or provide guidance to you as to the Oola Shop staffing levels, identifying the Oola Shop's management personnel, employee qualifications, their dress and appearance. However, Franchisee's employees are under Franchisee's day-to-day control. Franchisee must communicate clearly with all employees in its employment agreements, employee manuals, human resources materials, written and electronic correspondence, pay checks and other materials that Franchisee (and only Franchisee) are their employer, and Franchisor, as the franchisor, is not their employer and do not engage in any employer-type activities (including those described above) for which only Franchisee is responsible.

5.4 Pre-Opening Assistance.

(a) Selecting Location. Oola Bowls Franchising shall provide its criteria for Oola Bowls locations to Franchisee. Oola Bowls Franchising will review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Oola Bowls Franchising shall provide Franchisee with (i) Oola Bowls Franchising's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Oola Bowls Franchising deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Oola Bowls Franchising's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Oola Bowls Franchising shall review and advise on Franchisee's pre-opening business plan. This is not required. **Franchisee acknowledges that Oola Bowls Franchising accepts no responsibility for the performance of the Business.**

(d) Pre-Opening Training. Oola Bowls Franchising shall make available its standard pre-opening training to the General Manager and up to one additional team member, at Oola Bowls Franchising's headquarters and/or at an Oola Bowls business designated by Oola Bowls Franchising. Oola Bowls Franchising shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Oola Bowls Franchising reserves the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(e) Grand Opening Marketing. Oola Bowls Franchising shall advise Franchisee regarding the planning and execution of Franchisee's Grand Opening Marketing.

(f) On-Site Opening Assistance. Oola Bowls Franchising shall have a representative support Franchisee's business opening with 5 days of onsite opening training and assistance.

(g) Additional On-Site Training/Remedial Training. If Franchisee requests that Franchisor provides additional training at the Oola Shop, or if as the result of an inspection or quality assurance audit Franchisor believes that remedial training is necessary, then Franchisee must pay the daily fee for each trainer Franchisor sends to the Oola Shop, and Franchisee must reimburse each trainer's expenses, including travel, lodging and meals. The current rate is $600 per trainer per day, which is subject to change upon notice to Franchisee.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Oola Bowls Franchising will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Oola Bowls Franchising deems reasonable. If Oola Bowls Franchising provides in-person support in response to Franchisee's request, Oola Bowls Franchising may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Franchisor may designate the maximum, minimum, promotional, and other prices Franchisee may charge for Approved Products and Services, as permitted by applicable law. Franchisor's designation of pricing is not a guarantee that Franchisee will achieve a specific level of sales or profitability.

(c) Procedures. Oola Bowls Franchising will provide Franchisee with Oola Bowls Franchising's recommended administrative, bookkeeping, accounting, and inventory control procedures. Oola Bowls Franchising may make any such procedures part of required (and not merely recommended) System Standards. We may require you to utilize certain in-house resources or a specified third-party provider for accounting, bookkeeping, or lease review in our sole discretion. If Franchisor requires Franchisee to utilize Franchisor's in-house accounting, bookkeeping, or lease review resources, then Franchisee shall be required to pay to Franchisor the then-current rate for such services. We may mandate the use of a standard chart of accounts. You must periodically submit to us your sales reports, monthly, quarterly, and annual financial statements, and tax returns upon request.

(d) Brand Development. Oola Bowls Franchising shall manage the Brand Development Fund.

(e) Internet. Franchisor alone will maintain a website for the Oola Bowls brand, which will include the Oola Shop's contact business information and telephone number. Franchisee may not establish a website that uses or involves the Marks, or any of the Products. Franchisee is not permitted to promote the Oola Shop or use any of the Marks in any manner on any digital media, social media, or networking websites, such as Facebook, Foursquare, Instagram, TikTok, LinkedIn or Twitter, without Franchisor's prior written consent. Franchisor will control all digital media initiatives. Franchisee must comply with System Standards regarding the use of digital media in the Oola Shop's operation, including prohibitions on Franchisee and the Oola Shop's employees posting or blogging comments about the Oola Shop or the System, other than on digital media established or authorized by Franchisor and subject to Franchisor's standards and specifications. The term "digital media" includes traditional websites, web based applications, distributed databases, including, blockchain, software applications, smart phone applications, or social media platforms such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, TikTok, and YouTube, that refers, refences, identifies, reviews, promotes and/or relates, in any way, to Franchisor, the Oola Shop, the Marks, and/or the System. Franchisor may, at its election and subject to its specifications and requirements, provide access to branded digital media pages/handles/assets. Franchisor has the right to conduct collective/national campaigns via local digital media on Franchisee's behalf. At Franchisor's election, Franchisor alone will be, and at all times will remain, the sole owner of the copyrights to all material that appears on any digital media, including any and all material Franchisee may furnish to Franchisor.

ARTICLE 6. **LOCATION, DEVELOPMENT, AND OPENING**

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) Franchisee shall find a potential Location within the Site Selection Area described on the Summary Page. Franchisee shall submit its proposed Location to Oola Bowls Franchising for acceptance, with all related information Oola Bowls Franchising may request. Oola Bowls Franchising may require Franchisee to use only real estate brokers approved by Oola Bowls Franchising to find a potential Location within the Site Selection Area and may require Franchisee to use only general contractors which Oola Bowls Franchising has designated or approved. If Oola Bowls Franchising does not accept the proposed Location in writing within 30 days, then it is deemed rejected.

(ii) When Oola Bowls Franchising accepts the Location, it will issue a Location Acceptance Letter in the form of Attachment 2 which states the Location and Territory. Oola Bowls Franchising shall determine the Territory in its good faith discretion, substantially in accordance with Item 12 of the Franchise Disclosure Document. If Oola Bowls Franchising fails to state the Territory in writing within 60 days after Franchisee opens the Business to the public, the Territory will be deemed to be the zip codes that immediately surround the location of the franchised business and comprise a total of 40,000 people.

(iii) **Oola Bowls Franchising's advice regarding or acceptance of a site is not a representation or warranty that the Business will be successful, and Oola Bowls Franchising has no liability to Franchisee with respect to the location of the Business.**

6.2 Lease. In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Oola Bowls Franchising, Franchisee must submit the proposed lease to Oola Bowls Franchising for written approval, (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement, and (iii) Franchisee shall use commercially reasonable efforts to obtain the landlord's signature to a rider to the lease in the form required by Oola Bowls Franchising.

6.3 Development. Franchisee shall construct (or remodel) and finish the Location in conformity with Oola Bowls Franchising's System Standards. If required by Oola Bowls Franchising, Franchisee shall engage the services of an architect licensed in the jurisdiction of the Location. Franchisee shall not begin any construction or remodeling work without first obtaining Oola Bowls Franchising's approval of Franchisee's plans. Oola Bowls Franchising may, but is not required to, inspect Franchisee's construction or remodeling progress at any reasonable time. Franchisee shall not rely upon any information provided or opinions expressed by Oola Bowls Franchising or its representatives regarding any architectural, engineering, or legal matters (including without limitation the Americans With Disabilities Act) in the development and construction of the Business, and Oola Bowls Franchising assumes no liability with respect thereto. Oola Bowls Franchising's inspection and/or approval to open the Business is not a representation or a warranty that the Business has been constructed in accordance with any architectural, engineering, or legal standards.

6.4 New Franchisee Training. Franchisee's General Manager must complete Oola Bowls Franchising's training program for new franchisees to Oola Bowls Franchising's satisfaction at least four weeks before opening the Business.

6.5 Conditions to Opening. Franchisee shall notify Oola Bowls Franchising at least 30 days before Franchisee intends to open the Business to the public. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Oola Bowls Franchising has inspected and approved the Business, (5) Franchisee has hired sufficient employees, (6) Franchisee's officers and employees have completed all of Oola Bowls Franchising's required pre-opening training; and (7) Oola Bowls Franchising has given its written approval to open, which will not be unreasonably withheld.

6.6 Opening Date. Franchisee shall open the Business to the public on or before the date stated on the Summary Page.

6.7 Opening Inventory. Prior to opening, Franchisee will be required to purchase from Franchisor a substantial part of the opening inventory required to be used for the operation of the Business and pay to Franchisor the purchase price of the Opening Inventory. The amount of the Opening Inventory will vary depending on the size of the Business and the volume of business Franchisee will do from the Business. Approximately 55% of the Opening Inventory will be purchased from Franchisor and the remainder will be purchased from third-party vendors. The Opening Inventory will be between $25,000 and $50,000. The Opening Inventory payment is non-refundable when paid.

ARTICLE 7. **OPERATIONS**

7.1 Compliance with Manual and System Standards. Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

7.2 Compliance with Law. Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

7.3 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Oola Bowls Franchising in the Manual or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location. Unless otherwise approved or required by Oola Bowls Franchising, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee may only offer and sell Approved Products and Services from your Oola Shop location located within your Territory and, only to (a) retail customers for consumption on the premises of the Oola Shop location, (b) personal carryout from the Oola Shop location, (c) delivery, if authorized by Franchisor, to customers located within the Territory, and (d) catering, if authorized by Franchisor, to customers physically located within the Territory.

7.4 Intentionally Omitted.

7.5 Personnel.

(a) Management. If Franchisee is an entity or multiple owners, an owner must be appointed to serve as the "Designated Owner." The Designated Owner must (i) devote his/her best efforts to the management of the operations of the Oola Shop, (ii) live within a one-hour drive time of the Oola Shop, and (iii) have responsibility and decision-making authority regarding operation of the Oola Shop. Franchisee (or, if an entity, one of Franchisee's owners) or its fully trained manager shall devote full time and best efforts to the management and operation of the Oola Shop. The person who shall devote full time and best efforts to the management and operation of the Oola Shop must have successfully completed Initial Training and be present at the Oola Shop for such minimum hours of each day that Franchisor specifies in the Brand Standards Manuals. Franchisor strongly recommends, however, that Franchisee provides the on-site management. Managers must attend and successfully complete to Franchisor's satisfaction the Initial Training. Franchisee must notify Franchisor of any replacement of any manager. Franchisor does not have the right to otherwise approve the manager. Franchisee is not restricted as to whom it may hire as a manager for the Oola Shop except that the manager must satisfactorily complete Initial Training. The manager need not have any equity interest in the Oola Shop.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(d) Qualifications. Oola Bowls Franchising may set minimum qualifications for categories of employees employed by Franchisee.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Oola Bowls Franchising are not joint employers, and no employee of Franchisee will be an agent or employee of Oola Bowls Franchising. Within seven days of Oola Bowls Franchising's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Oola Bowls Franchising) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.6 Post-Opening Training. Oola Bowls Franchising may at any time require that the General Manager and/or any other employees complete training programs, in any format and in any location determined by Oola Bowls Franchising. Oola Bowls Franchising may charge a reasonable fee for any training programs. Oola Bowls Franchising may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the General Manager or any other employee, then Franchisee shall pay all travel, living and other expenses.

7.7 Software. Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Oola Bowls Franchising. Franchisee shall enter into any subscription and support agreements that Oola Bowls Franchising may require. Franchisee shall upgrade, update, or replace any software from time to time as Oola Bowls Franchising may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Oola Bowls Franchising unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Oola Bowls Franchising.

7.8 Customer Complaints. Franchisee shall use its best efforts to promptly resolve any customer complaints. Oola Bowls Franchising may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Oola Bowls Franchising may require Franchisee to reimburse Oola Bowls Franchising for any expenses.

7.9 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Oola Bowls Franchising for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Oola Bowls Franchising shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Oola Bowls Franchising for such programs. Oola Bowls Franchising may set minimum scores that Franchisee must receive from the public on internet review sites (such as Yelp or Google).

7.10 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Oola Bowls Franchising (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Oola Bowls Franchising. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.11 Oola Bowls Franchising Programs. Franchisee is required to participate in the various programs instituted, now or in the future, by Oola Bowls Franchising from time to time and which currently include:

(a) Under the Customer Loyalty Program with Text Messaging and Email Club, customers earn free food items after a certain number of purchases. The administrative costs of the Customer Loyalty Program are included in the monthly Software Licensing and Support Fees. Oola Bowls Franchising or local marketing cooperatives may choose to send text messages to those customers who sign up for text messaging at no cost to Franchisee. However, if Franchisee chooses to send text messages to its customer lists, Franchisee will pay local text messaging fees, currently at $.035/message and this fee is subject to change. Customers who provide their email addresses to Oola Bowls Franchising occasionally receive special offerings from Oola Bowls Franchising, including free food items upon presentation of a valid email coupon at the Oola Shop and Franchisee must pay for the costs of the free food items.

(b) Under the Online Ordering Program, customers place their orders online designating from which Oola Shop they will pick up the order. The costs of this program are included in the monthly Software Licensing and Support Fees. However, Franchisee will pay Oola Bowls Franchising an additional $0.30 per online transaction and 3.75% of the sale of each such transaction to cover credit card, patent licensing, ecommerce, sales tax software, and authentication fees.

(c) Under the Food and Labor Management Software Program, Franchisee will place its food, beverage, paper products, snack items, and cleaning product orders with outside vendors through this program. Franchisee will enter its employee work schedules on this program and the employees will log their actual hours worked on the POS system, which will automatically send the information to the program. The costs of this program are included in the monthly Software Licensing and Support Fees.

(d) Under the Gift Card Program customers may purchase gift cards at the Oola Shop. The Gift Card Program may be maintained by Oola Bowls Franchising or a designated third-party vendor. Franchisee must pay the costs of the plastic gift cards which are minimal. Oola Bowls Franchising does not charge any fees relating to the Gift Card Program but collects fees for the vendors.

7.12 Maintenance and Repair. Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Oola Bowls Franchising may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor. Franchisee acknowledges that the System Standards may include requirements for cleaning, maintenance, and repair.

7.13 Remodeling. Franchisor reserves the right to periodically make changes to the System, including products standards, vehicle requirements, signage, equipment, and fixtures requirements. In the event Franchisor makes any of these types of changes, or the equipment, facilities or vehicles wear out or become obsolete (including for no longer complying with System standards or requirements), Franchisee may have to make, on an as-needed basis, additional investments in the Oola Shop. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Oola Bowls Franchising may require Franchisee to undertake and complete a Remodel of the Location to Oola Bowls Franchising's satisfaction. Franchisee must complete the Remodel in the time frame specified by Oola Bowls Franchising. Oola Bowls Franchising may require the Franchisee to submit plans for Oola Bowls Franchising's reasonable approval prior to commencing a required Remodel. Oola Bowls Franchising's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first two or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), (ii) a Remodel will not be required more than once every five years from the date on which Franchisee was required to complete the prior Remodel, and (iii) the aggregate, cumulative cost to Franchisee of all such changes to the System throughout all of the Territories Franchisee owns shall not exceed $25,000 per Oola Shop in any given year.

7.14 Meetings. The Designated Owner shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Oola Bowls Franchising requires, including any national or regional brand conventions. Franchisee shall not permit the Designated Owner to fail to attend more than three consecutive required meetings.

Franchisee (or the Designated Owner) shall, at Franchisee's sole expense, attend the first annual business meeting/conference ("Annual Meeting") organized by Oola Bowls Franchising after execution of this Franchise Agreement and shall participate in any training programs and workshops offered at the Annual Meeting. Oola Bowls Franchising has the right to require that

Franchisee pay a registration fee to Oola Bowls Franchising for each attendee at each Annual Meeting. Failure to attend the first Annual Meeting after execution of this Agreement, and failure to attend two consecutive Annual Meetings thereafter shall constitute a default of this Agreement for which Oola Bowls Franchising may immediately terminate this Agreement pursuant to Section 15.2.13. Franchisee will be responsible for all expenses incurred in connection with attending the Annual Meeting, including, without limitation, the costs of accommodations, meals, wages, and travel.

7.15 Insurance.

Franchisee must obtain insurance as described below and in our Brand Standards Manual, which includes:

(i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Oola Shop, for full repair and replacement value (subject to a reasonable deductible);

(ii) Business interruption insurance covering at least 12 months of income;

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit,

(iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and

(v) Workers Compensation coverage as required by state law.

(vi) Umbrella or Excess Liability Insurance with limits of $2,000,000 per occurrence and $2,000,000 general aggregate;

(vii) Employers’ Liability insurance with limits not less than $1,000,000 each accident, $1,000,000 each employee by disease and $1,000,000 policy limit by disease;

(viii) Employment Practices Liability Insurance, including third party coverage, with limits not less than $1,000,000 per claim and aggregate. We must be endorsed as a Co-Defendant;

(ix) Data Breach Expense/Cyber Liability Insurance, including first and third party coverage with limits no less than $1,000,000, and regulatory expense coverage of no less than $250,000; and

(x) all other insurance required by law or that we may reasonably require.

Franchisee’s policies (other than Workers Compensation) must list Franchisor and its affiliates as an additional insured, must include a waiver of subrogation in favor of Franchisor and its affiliates, must be primary and non-contributing with any insurance carried by Franchisor or its affiliates, and must stipulate that Franchisor receives 30 days’ prior written notice of a material alteration to or cancellation of the policy(ies). Franchisee must provide Franchisor with a certificate of insurance showing that Franchisee has obtained the required policies before construction of the Oola Shop begins and upon each policy's renewal. Franchisor has the right to require that Franchisee obtains from its insurance company a report of claims made and reserves set against Franchisee's insurance. Franchisor has the right to change the insurance requirements during the term of this Agreement, including the types of coverage and the amounts of coverage, and Franchisee must comply with those changes. If Franchisee does not obtain any insurance as required, Franchisor has the right (but not the obligation) to purchase insurance for Franchisee and Franchisee must reimburse Franchisor's costs related to this purchase plus pay to a 20% administrative fee.

7.16 Payments to Third Parties. Franchisee shall pay all vendors and suppliers in a timely manner. Franchisee shall pay all taxes when due. If Franchisee borrows money, it shall comply with the terms of its loan and make all loan payments when due. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location and make all rent payments when due.

7.17 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Oola Bowls, the Business, or any particular incident or occurrence related to the Business, without Oola Bowls Franchising's prior written approval, which will not be unreasonably withheld.

7.18 Association with Causes. Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Oola Bowls Franchising's prior written approval, which will not be unreasonably withheld.

7.19 No Other Activity Associated with the Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Oola Bowls Business. Franchisee shall not use assets of the Business for any purpose other than the Business. If Franchisee is an entity, the entity shall not own or operate any other business except Oola Bowls businesses.

7.20 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Oola Bowls Franchising, which will not be unreasonably withheld.

7.21 Identification. Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Oola Bowls Franchising. Franchisee must display at the Business signage prescribed by Oola Bowls Franchising identifying the Location as an independently owned franchise.

7.22 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Oola Bowls Franchising. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs required by Oola Bowls Franchising from time to time in accordance with System Standards. Oola Bowls Franchising may require

Franchisee to purchase or lease any Inputs from Oola Bowls Franchising, Oola Bowls Franchising's designee, Required Vendors, Approved Vendors, and/or under Oola Bowls Franchising's specifications. Oola Bowls Franchising may change any such requirement or change the status of any vendor. To make such requirement or change effective, Oola Bowls Franchising shall issue the appropriate System Standards.

8.2 Alternate Vendor Approval. If Oola Bowls Franchising requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Oola Bowls Franchising. Oola Bowls Franchising may condition its approval on such criteria as Oola Bowls Franchising deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Oola Bowls Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

8.3 Alternate Input Approval. If Oola Bowls Franchising requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Oola Bowls Franchising. Oola Bowls Franchising will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

8.4 Purchasing. Oola Bowls Franchising may negotiate prices and terms with vendors on behalf of the System. Oola Bowls Franchising may receive rebates, payments or other consideration from vendors in connection with purchases by franchisees. Oola Bowls Franchising has the right (but not the obligation) to collect payments from Franchisee on behalf of a vendor and remit the payments to the vendor and to impose a reasonable markup or charge for administering the payment program. Oola Bowls Franchising may implement a centralized purchasing system. Oola Bowls Franchising may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Oola Bowls Franchising may determine.

8.5 No Liability of Franchisor. Oola Bowls Franchising shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

8.6 Product Recalls. If Oola Bowls Franchising or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Oola Bowls Franchising or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

8.7 Allowances. Franchisor has the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to Franchisee, Franchisor or its affiliates based upon Franchisee's purchases of products and services from manufacturers, suppliers, and distributors. Franchisor or its affiliates will have all of Franchisee's right, title, and interest in and to any and all of these Allowances. Franchisor or its affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). Franchisor may also choose to contribute these Allowances to the Brand Development Fund, but if it does so it does not reduce or eliminate Franchisee's requirement to pay the Brand Development Fund.

8.8 **FDA Food Safety Modernization Act Compliance**. All suppliers (excluding Oola Bowls Franchising or its affiliate) of fresh produce (fruit) and nut butters (or any other food or ingredient on the FDA Food Traceability List) that is to be consumed raw will need to provide annually (or as often as requested) with satisfactory evidence of FDA Food Safety Modernization Act (FSMA) compliance, FDA Produce Safety Rule compliance, and FSMA 204 Traceability Rule compliance. These suppliers must be approved by Oola Bowls Franchising or its affiliate annually and before Franchisee enters into any agreement for the purchase of these products or receive these products.

ARTICLE 9. **MARKETING**

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, social media marketing or presence, and sponsorships) that have not been approved by Oola Bowls Franchising. Oola Bowls Franchising may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, include any social media policy that Oola Bowls Franchising may prescribe. Franchisee shall implement any marketing plans or campaigns determined by Oola Bowls Franchising. Franchisee may not engage in any promotional activities or sell products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system, through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere, or by other communications. While Franchisee may, subject to the System standards and approval process, place advertisements in printed media, digital media, and on television and radio that are targeted to customers and prospective customers located within the Territory, Franchisee will not be in violation of this Agreement if those advertisements, because of the natural circulation of the media viewed or received by prospective customers outside of the Territory.

Any marketing that Franchisee proposes to use that has either not been prepared by Franchisor or has not been approved by Franchisor in the immediately preceding 12-month period must be submitted to Franchisor for Franchisor's review not later than 15 days before Franchisee intends to use it. Unless Franchisor provides its specific disapproval of the proposed materials, the materials are deemed approved. Any materials Franchisee submits to Franchisor for Franchisor's review will become Franchisor's property, and there will be no restriction on Franchisor's use or distribution of these materials. Franchisor has the right to require Franchisee to include certain language in its local marketing, such as "Franchises Available" and Franchisor's website address and phone number.

9.2 Use by Oola Bowls Franchising. Oola Bowls Franchising may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Oola Bowls Franchising for such purpose.

9.3 Brand Development Fund. Oola Bowls Franchising may establish a Brand Development Fund to promote the System on a local, regional, national, and/or international level. If Oola Bowls Franchising has established a Brand Development Fund:

(a) Separate Account. Oola Bowls Franchising shall hold the Brand Development Fund Contributions from all franchisees in one or more bank accounts separate from Oola Bowls Franchising's other accounts.

(b) Use. Oola Bowls Franchising shall use the Brand Development Fund only for marketing, advertising, and public relations materials, programs and campaigns (including at local, regional, national, and/or international level), and related overhead. The foregoing includes such activities and expenses as Oola Bowls Franchising reasonably determines, and may include, without limitation: development and placement of advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Development Fund (including the compensation of Oola Bowls Franchising's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Development Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Development Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Development Fund will be spent at Oola Bowls Franchising's sole discretion, and Oola Bowls Franchising has no fiduciary duty with regard to the Brand Development Fund.

(d) Contribution by Other Outlets. Oola Bowls Franchising is not obligated to (i) have all other Oola Bowls businesses (whether owned by other franchisees or by Oola Bowls Franchising or its affiliates) contribute to the Brand Development Fund, or (ii) have other Oola Bowls businesses that do contribute to the Brand Development Fund contribute the same amount or at the same rate as Franchisee.

(e) Surplus or Deficit. Oola Bowls Franchising may accumulate funds in the Brand Development Fund and carry the balance over to subsequent years. If the Brand Development Fund operates at a deficit or requires additional funds at any time, Oola Bowls Franchising may loan such funds to the Brand Development Fund on reasonable terms.

(f) Financial Statement. Oola Bowls Franchising will prepare an unaudited annual financial statement of the Brand Development Fund within 120 days of the close of Oola Bowls Franchising's fiscal year and will provide the financial statement to Franchisee upon request.

9.4 Market Cooperatives. Oola Bowls Franchising may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Oola Bowls Franchising shall not require Franchisee to be a member of more than one Market Cooperative. If Oola Bowls Franchising establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Oola Bowls Franchising. Oola Bowls Franchising may require the Market Cooperative to adopt bylaws or regulations prepared by Oola Bowls Franchising. Unless otherwise specified by Oola Bowls Franchising, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Oola Bowls Franchising will be entitled to attend and participate in any meeting of a Market Cooperative. Any Oola Bowls business owned by Oola Bowls Franchising in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Oola Bowls Franchising may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Oola Bowls Franchising's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Oola Bowls Franchising pursuant to Section 9.1. Oola Bowls Franchising may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 5% of Gross Sales.

(e) Enforcement. Only Oola Bowls Franchising will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Oola Bowls Franchising may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Development Fund.

9.5 Required Spending. Franchisee must conduct local marketing in the Territory and Franchisee must spend at least 2% of Gross Sales each month on local marketing for the Oola Shop. Within 30 days of Franchisor's request, Franchisee must provide Franchisor with proof of Franchisee's local marketing expenditures, including verification copies of the advertisements. Oola Bowls Franchising has the sole discretion to determine what activities constitute "marketing" under this Section. Oola Bowls Franchising may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's required spending under this Section.

9.6 Grand Opening Marketing. Franchisee must develop a Grand Opening Marketing plan and obtain Oola Bowls Franchising's approval of the Grand Opening Marketing plan at least 30 days before the projected opening date of the Business. Franchisee agrees to expend between $5,000 and $10,000 on *Grand Opening Marketing*.

9.7 Advertising Council. Franchisor reserves the right to establish an advertising council ("**Advertising Council**") in the future. If Franchisor establishes an Advertising Council, it will serve in an advisory capacity to Franchisor with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Brand Development Fund (if established in the future). At Franchisor's discretion, the Advertising Council may be comprised of Franchisor management representatives, employees, Franchisee and/or other franchisees in the System. Franchisor will have the right to modify or dissolve an Advertising Council (if created) at any time.

ARTICLE 10. **RECORDS AND REPORTS**

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Oola Bowls Franchising may specify in the Manual or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Oola Bowls Franchising may require in the Manual or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Business within 21 days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within 90 days after the end of the calendar year;

(iii) any information Oola Bowls Franchising requests in order to prepare a financial performance representation for Oola Bowls Franchising's franchise disclosure document; and

(iv) Within ten (10) days after their completion, all federal tax returns filed by the Oola Shop.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Oola Bowls Franchising of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall provide such documents and information related to any such Action as Oola Bowls Franchising may request.

(c) Government Inspections. Franchisee shall give Oola Bowls Franchising copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Oola Bowls Franchising such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Oola Bowls Franchising may reasonably request.

(e) Oola Shop Operations. Franchisee agrees to use sound financial management and planning practices in connection with the Oola Shop and the business operated hereunder. Franchisee shall record all sales for the Oola Shop and other operations under this Agreement on the Computer System (or on any other equipment or communication system specified by Oola Bowls Franchising in the Manuals or otherwise in writing). Franchisee shall prepare, and shall preserve for at least five (5) years from the dates of their preparation, complete and accurate books, records, and accounts in accordance with generally accepted accounting principles recognized in the United States as consistently applied ("Generally Accepted Accounting Principles" or "GAAP") and in the form and manner prescribed by Franchisor from time to time in the Brand Standards Manuals or otherwise in writing, including daily cash reports, cash receipts journal and general ledger, cash disbursements journal and weekly payroll register, monthly bank statements, daily deposit slips and canceled checks, all business tax returns, suppliers' invoices (paid and unpaid), dated cash register tapes (detailed and summary), semiannual balance sheets and monthly profit and loss statements, weekly inventories, records of promotion and coupon redemptions, and such other records and information as Franchisor may from time to time request, all of which shall accurately reflect the operations and condition of the Oola Shop. No later than Wednesday of each week, or at such other time as may correspond to the required payment periods as set forth in Section 4.5, Franchisee shall submit to Franchisor a Royalty fee report, a Brand Development Fund Contribution report, and Gross Sales report for the prior week or month (as required by Franchisor), and such other information as Franchisor specifies, all in the form prescribed by Franchisor. In the event that Franchisor has not required Franchisee to obtain a Computer System that reports information daily to Franchisor, Franchisee shall submit daily reports and information required by Franchisor. Franchisor will have the right to access information and data collected by the required computer system or otherwise related to operation of the Oola Shop, which will include the biographical data Franchisee collects from clients, the Oola Shop and accounting records, and other information that pertains to the operation of the Oola Shop. Franchisee must allow Franchisor to access the information remotely. Franchisee must provide monthly financial information and supporting detail to Franchisor in time for the preparation of financial reports to be delivered by the 21st of each subsequent month.

10.3 Initial Investment Report. Within 120 days after opening for business, Franchisee shall submit to Oola Bowls Franchising a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Oola Bowls Franchising's Franchise Disclosure Document and with such other information as Oola Bowls Franchising may request.

10.4 Business Records. Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Oola Bowls Franchising may specify in the Manual or otherwise in writing.

10.5 Records Audit and Audit Fee. Oola Bowls Franchising may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Oola

Bowls Franchising may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Oola Bowls Franchising. Franchisee shall also reimburse Oola Bowls Franchising for all costs and expenses of the examination or audit if (i) Oola Bowls Franchising conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 2% or more for any 3-month period.

ARTICLE 11. **FRANCHISOR RIGHTS**

11.1 Manual; Modification. The Manual, and any part of the Manual, may be in any form or media determined by Oola Bowls Franchising. Oola Bowls Franchising may supplement, revise, or modify the Manual, and Oola Bowls Franchising may change, add or delete System Standards at any time in its discretion. Oola Bowls Franchising may inform Franchisee thereof by any method that Oola Bowls Franchising deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Oola Bowls Franchising's master copy will control.

11.2 Inspections. Oola Bowls Franchising may enter the premises of the Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Oola Bowls Franchising's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Oola Bowls Franchising may videotape and/or take photographs of the inspection and the Business. Oola Bowls Franchising may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Oola Bowls Franchising's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Oola Bowls Franchising conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed inspection), then Oola Bowls Franchising may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Oola Bowls Franchising's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Oola Bowls Franchising may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Oola Bowls Franchising for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Oola Bowls Franchising may (i) require that Franchisee pay cash on delivery for products or services supplied by Oola Bowls Franchising, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Oola Bowls Franchising shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Oola Bowls Franchising are in addition to any other right or remedy available to Oola Bowls Franchising.

11.5 Business Data. All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Oola Bowls Franchising. Oola Bowls Franchising hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Oola Bowls Franchising all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Oola Bowls Franchising will automatically own all Innovations, and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Oola Bowls Franchising to document Oola Bowls Franchising's ownership of Innovations.

11.7 Communication Systems. If Oola Bowls Franchising provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Oola Bowls Franchising to access such communications.

11.8 Delegation. Oola Bowls Franchising may delegate any duty or obligation of Oola Bowls Franchising under this Agreement to an affiliate or to a third party.

11.9 System Variations. Oola Bowls Franchising may vary or waive any System Standard for any one or more Oola Bowls franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Oola Bowls Franchising discovers or becomes aware of any aspect of the Business which, in Oola Bowls Franchising's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Oola Bowls Franchising's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Oola Bowls Franchising shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. **MARKS**

12.1 Authorized Marks. Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Oola Bowls Franchising, and only in the manner as Oola Bowls Franchising may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Oola Bowls Franchising.

12.2 Change of Marks. Oola Bowls Franchising may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Oola Bowls Franchising makes any such change, Franchisee must comply with the change, at Franchisee's expense.

12.3 Infringement.

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Oola Bowls Franchising shall defend Franchisee (at Oola Bowls Franchising's expense) against any Action by a third-party alleging infringement by Franchisee's use of a Mark, and (ii) Oola Bowls Franchising will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Oola Bowls Franchising if Franchisee becomes aware of any possible infringement of a Mark by a third party. Oola Bowls Franchising may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Oola Bowls Franchising shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

12.4 Name. If Franchisee is an entity, it shall not use the words "Oola Bowls" or any confusingly similar words in its legal name.

ARTICLE 13. **COVENANTS**

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Oola Bowls Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Oola Bowls Franchising, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Oola Bowls Franchising (except for Confidential Information which Oola Bowls Franchising licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely. All new products, items, services and other developments, whether they be of Franchisor's original design or variations of existing services or techniques, or Franchisee's original design or variations of existing services or techniques, will be deemed a work made for hire and Franchisor will own all rights in them. If they do not qualify as works made for hire, Franchisee will assign ownership to Franchisor. Franchisee will not receive any payment, adjustment or other compensation in connection with any new products, items, services or developments.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor within five miles of Franchisee's Territory or the territory of any other Oola Bowls business operating on the date of termination or transfer, as applicable. If this Agreement is terminated before the Territory is determined, then the area of non-competition will the Development Area and the territory of any other Oola Bowls business operating on the date of termination.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Oola Bowls Franchising. Franchisee agrees that the existence of any claim it may have against Oola Bowls Franchising shall not constitute a defense to the enforcement by Oola Bowls Franchising of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

13.3 General Manager and Key Employees. Franchisee will cause its general manager and other key employees to sign Oola Bowls Franchising's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law). Any manager or personnel employed by Franchisee who has received or will receive training, including Initial Training, from Franchisor, may be required to sign a written agreement to execute covenants. Additionally, Franchisee, all owners of the Oola Shop and all spouses of Franchisee and the owners must sign a personal guaranty, meaning that those individuals are personally, jointly and severally liable for the obligations of the Franchisee under this Agreement.

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Oola Bowls Franchising violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Oola Bowls Franchising receives written notice of termination.

14.2 Termination by Oola Bowls Franchising.

(a) Subject to 10-Day Cure Period. Oola Bowls Franchising may terminate this Agreement if Franchisee does not make any payment to Oola Bowls Franchising when due, or if Franchisee does not have sufficient funds in its account when Oola Bowls Franchising attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Oola Bowls Franchising gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Oola Bowls Franchising's satisfaction within 30 days after Oola Bowls Franchising gives notice to Franchisee of such breach, then Oola Bowls Franchising may terminate this Agreement.

(c) Without Cure Period. Oola Bowls Franchising may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Oola Bowls Franchising;

(iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors, or Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee abandons or ceases operation of the Business for more than five consecutive days;

(viii) Franchisee or any Owner slanders or libels Oola Bowls Franchising or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Oola Bowls Franchising or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2;

(x) the Business is operated in a manner which, in Oola Bowls Franchising's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Oola Bowls Franchising or otherwise);

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;

(xii) Oola Bowls Franchising (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a MUDA with Franchisee or its affiliate shall not give Oola Bowls Franchising the right to terminate this Agreement);

(xiii) Franchisee or any Owner is charged with, pleads guilty or no-contest to, or is convicted of a felony; or

(xiv) Franchisee or any Owner is accused by any governmental authority or third party of any act, or if Franchisee or any Owner commits any act or series of acts, that in Oola Bowls Franchising's opinion is reasonably likely to materially and unfavorably affect the Oola Bowls brand.

(xv) Franchisee or any Owner experiences a deterioration in financial condition that that in Oola Bowls Franchising's opinion is reasonably likely to materially and unfavorably affect the Franchisee's Oola Shop(s) or the Oola Bowls brand.

(xvi) Franchisee or any Owner permits a third party to attach or otherwise encumber the credit card receipts of Franchisee's Oola Shop(s) for any purpose.

(xvii) Franchisee becomes 30 days delinquent in the payment of any amount due to a landlord or mortgagee on any premises where Franchisee operates an Oola Shop and Franchisee fails to cure such delinquency within 48 hours after becoming aware of the delinquent payment.

(xviii) Franchisee becomes 30 days delinquent in the payment of any amount due to a vendor servicing or supplying Franchisee's Oola Shop(s) and Franchisee fails to cure such delinquency within 48 hours after becoming aware of the delinquent payment.

(xix) Franchisee or any Owner fails to provide Franchisor with business financial statements and records and/or personal financial statements and records within 10 business days of Franchisor's request.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Oola Bowls Franchising based on the operation of the Business through the effective date of termination or expiration;

(ii) return to Oola Bowls Franchising all copies of the Manual, Confidential Information and any and all other materials provided by Oola Bowls Franchising to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;

(iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Oola Bowls Franchising or any new franchisee as may be directed by Oola Bowls Franchising, and Franchisee hereby irrevocably appoints Oola Bowls Franchising, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(iv) cease doing business under any of the Marks.

14.4 Remove Identification. Within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of an Oola Bowls business, to the reasonable satisfaction of Oola Bowls Franchising. Franchisee shall comply with any reasonable instructions and procedures of Oola Bowls Franchising for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Oola Bowls Franchising may enter the Location to remove the Marks and de-identify the Location. In this event, Oola Bowls Franchising will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Oola Bowls Franchising.

14.5 Liquidated Damages. If Oola Bowls Franchising terminates this Agreement based upon Franchisee's default (or if Franchisee purports to terminate this Agreement except as permitted under Section 14.1), then within 10 days thereafter Franchisee shall pay to Oola Bowls Franchising a lump sum (as liquidated damages and not as a penalty) calculated as follows: (x) the average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Oola Bowls Franchising under this Agreement for the 52-week period preceding the date on which Franchisee ceased operating the Business; multiplied by (y) the lesser of (1) 104 or (2) the number of weeks remaining in the then-current term of this Agreement. If Franchisee had not operated the Business for at least 52 weeks, then (x) will equal the average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Oola Bowls Franchising during the period that Franchisee operated the Business. The "average Royalty Fees and Brand Development Fund Contributions that Franchisee owed to Oola Bowls Franchising" shall not be discounted or adjusted due to any deferred or reduced Royalty Fees and Brand Development Fund Contributions set forth in an addendum to this Agreement, unless this Section 14.5 is specifically amended in such addendum. Franchisee acknowledges that a precise calculation of the full extent of Oola Bowls Franchising's damages under these circumstances is difficult to determine and the method of calculation of such damages as set forth in this Section is reasonable. Franchisee's payment to Oola Bowls Franchising under this Section will be in lieu of any direct monetary damages that Oola Bowls Franchising may incur as a result of Oola Bowls Franchising's loss of Royalty Fees and Brand Development Fund Contributions that would have been owed to Oola Bowls Franchising after the date of termination; however, such payment shall be in addition to all damages and other amounts arising under Section 14.3 and Section 14.4, Oola Bowls Franchising's right to injunctive relief for enforcement of Article 13, and any attorneys' fees and other costs and expenses to which Oola Bowls Franchising is entitled under this Agreement. Except as provided in this Section, Franchisee's payment of this lump sum shall be in addition to any other right or remedy that Oola Bowls Franchising may have under this Agreement or otherwise.

14.6 Purchase Option. When this Agreement expires or is terminated, Oola Bowls Franchising will have the right (but not the obligation) to purchase any or all of the assets related to the Business, and/or to require Franchisee to assign its lease or sublease to Oola Bowls Franchising. To exercise this option, Oola Bowls Franchising must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Oola Bowls Franchising elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Oola Bowls Franchising's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the business, the value of any intangible assets, or any goodwill or "going concern" value for the Business. Oola Bowls Franchising may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Oola Bowls Franchising. If Oola Bowls Franchising exercises the purchase option, Oola Bowls Franchising may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Oola Bowls Franchising to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Oola Bowls Franchising may pay a portion of the purchase price directly to the lienholder to pay off such lien. Oola Bowls Franchising may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Oola Bowls Franchising may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Oola Bowls Franchising. Oola Bowls Franchising may transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Oola Bowls Franchising may undergo a change in ownership and/or control, without the consent of Franchisee.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Oola Bowls Franchising entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Oola Bowls Franchising at least 60 days prior notice of the proposed Transfer, and without obtaining Oola Bowls Franchising's consent. In granting any such consent, Oola Bowls Franchising may impose conditions, including, without limitation, the following:

(i) Oola Bowls Franchising receives a transfer fee equal to $10,000 plus any broker fees and other out-of-pocket costs incurred by Oola Bowls Franchising;

(ii) the proposed assignee and its owners have completed Oola Bowls Franchising's franchise application processes, meet Oola Bowls Franchising's then-applicable standards for new franchisees, and have been approved by Oola Bowls Franchising as franchisees;

(iii) the proposed assignee is not a Competitor;

(iv) the proposed assignee executes Oola Bowls Franchising's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement (provided, however, that the proposed assignee will not be required to pay an initial franchise fee);

(v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;

(vi) Franchisee has paid all monetary obligations to Oola Bowls Franchising and its affiliates, and to any lessor, vendor, supplier, or lender to the Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Oola Bowls Franchising or its affiliates;

(vii) the proposed assignee and its owners and employees undergo such training as Oola Bowls Franchising may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Oola Bowls Franchising in a form satisfactory to Oola Bowls Franchising; and

(ix) the Business fully complies with all of Oola Bowls Franchising's most recent System Standards.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Oola Bowls Franchising, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Oola Bowls Franchising, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5.

15.4 Transfer upon Death or Incapacity. Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the Owner with the largest ownership interest in Franchisee), the executor, administrator, or personal representative of that person must Transfer the Business to a third party approved by Oola Bowls Franchising (or to another person who was an Owner at the time of death or incapacity of the largest Owner) within nine months after death or incapacity. Such transfer must comply with Section 15.2.

15.5 Oola Bowls Franchising's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3, to a co-Owner, or to a spouse, sibling, or child of an Owner), Oola Bowls Franchising will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Oola Bowls Franchising a copy of the terms and conditions of any bona fide offer to Transfer. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earnout payments), and the proposed transaction must relate exclusively to an interest in the rights granted by the Franchise Agreement and the Oola Shop (or all or substantially all of its operating assets), a controlling ownership interest in you, or a controlling ownership interest in the entity with a controlling ownership interest in you. It may not relate to any other interests or assets. For a period of 30 days from the date of Oola Bowls Franchising's receipt of such copy, Oola Bowls Franchising will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Oola Bowls Franchising may substitute cash for any other form of payment). If Oola Bowls Franchising does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

15.8 Right to Purchase. Upon expiration, non-renewal or termination of this Agreement, Franchisor has the right to notify Franchisee of Franchisor's election to exercise a "Call Option"—the then-current details will be provided to Franchisee by Franchisor at the applicable time—to acquire the Oola Shop and all of its assets. Franchisor will notify Franchisee of that election no earlier than 30 days before, and no later than 30 days after, the effective date of expiration, non-renewal or termination (as applicable) of this Agreement. If Franchisor exercises the Call Option and does not rescind the decision, the actual closing date will depend, in part, on how long it takes for Franchisor to receive all required permits and licensures to operate the Oola Shop. The purchase price for the Oola Shop's assets will equal a certain multiple of the Oola Shop's adjusted EBITDA during a certain look-back period. If Franchisor acquires the assets of multiple Oola Shops operated by Franchisee and its affiliates as part of the same transaction (see below), the value of all such Oola Shops during the look-back period will be aggregated in order to determine the purchase price (the "**Enterprise Value**"). The process and timing for the Call Option and the related purchase transaction will be provided to Franchisee upon Franchisee's request and/or by Franchisor at the applicable time. If Franchisor exercises this Call Option, then Franchisor and Franchisee shall enter into an asset purchase agreement in the form that Franchisor requires. If Franchisor exercises the Call Option and Franchisee and/or its affiliates operate additional Oola Shops, Franchisee may request Franchisor to include in the transaction the assets of those other Oola Shops (although Franchisor has no obligation to do so).

ARTICLE 16. **INDEMNITY**

16.1 Indemnity. Franchisee shall indemnify and defend (with counsel reasonably acceptable to Oola Bowls Franchising) Oola Bowls Franchising, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, "Indemnitees") against all Losses in any Action by or against Oola Bowls Franchising and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee's intentional misconduct or negligence. Any delay or failure by an Indemnitee to notify Franchisee of an Action shall not relieve Franchisee of its indemnity obligation except to the extent (if any) that such delay or failure materially prejudices Franchisee. Franchisee shall not settle an Action without the consent of the Indemnitee. This indemnity will continue in effect after this Agreement ends.

16.2 Assumption. An Indemnitee may elect to assume the defense of any Action subject to this indemnification, and control all aspects of defending the Action, including negotiations and settlement, at Franchisee's expense. Such an undertaking shall not diminish Franchisee's obligation to indemnify the Indemnitees.

ARTICLE 17. **DISPUTE RESOLUTION**

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c) and (d), any controversy or claim between the parties (including any controversy or claim arising out of or relating to this Agreement or its formation and including any question of arbitrability) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Oola Bowls Franchising's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Intellectual Property Claims. Either party may bring a claim involving an alleged infringement of any of Oola Bowls Franchising's intellectual property rights in a court authorized to hear such claims under Section 17.5 of this Agreement.

(e) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Oola Bowls Franchising to comply with laws and regulations applicable to the sale of franchises.

(f) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Oola Bowls Franchising and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 Damages. In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages expressly authorized by federal statute and damages expressly authorized by this Agreement.

17.3 Waiver of Class Actions. The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

17.4 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.5 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Oola Bowls Franchising's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Oola Bowls Franchising's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.6 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs and other expenses of the legal proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. **MISCELLANEOUS**

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Oola Bowls Franchising is not a fiduciary of Franchisee. Oola Bowls Franchising does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Oola Bowls Franchising's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Oola Bowls Franchising has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Oola Bowls Franchising, and Oola Bowls Franchising's affiliates.

18.3 Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Oola Bowls Franchising in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Oola Bowls Franchising's rights to modify the Manual or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Governing Law. The laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

18.9 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Oola Bowls Franchising, addressed to 108 Foxshire Drive, Lancaster, PA 17601. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Oola Bowls Franchising may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.10 Holdover. If Franchisee continues operating the Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Section 3.2, then at any time (regardless of any course of dealing by the parties), Oola Bowls Franchising may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Oola Bowls Franchising specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Section 3.2(vi).

18.11 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.12 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Oola Bowls Franchising does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Oola Bowls Franchising.

ARTICLE 19. **CERTIFICATION OF FRANCHISOR'S COMPLIANCE**

By signing this Agreement, Franchisee acknowledges the following:

(1) Franchisee understands all the information in Oola Bowls Franchising's Disclosure Document.

(2) Franchisee understands the success or failure of the Business will depend in large part upon Franchisee's skills, abilities and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace.

(3) That no person acting on Oola Bowls Franchising's behalf made any statement or promise regarding the costs involved in operating an Oola Bowls franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(4) That no person acting on Oola Bowls Franchising's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

(5) That no person acting on Oola Bowls Franchising's behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue an Oola Bowls franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(6) That no person acting on Oola Bowls Franchising's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

(7) Franchisee understands that this Agreement contains the entire agreement between Oola Bowls Franchising and Franchisee concerning the Oola Bowls franchise, which means that any oral or written statements not set out in this Agreement will not be binding. In deciding to enter into this Agreement, Franchisee is not relying on any statement, promise, claim, or representation not expressly set forth in this Agreement or in the Disclosure Document.

[*Signatures on next page*]

Agreed to by:

FRANCHISOR:

OOLA BOWLS FRANCHISING, LLC

By: ________________________________
Name: _____________________________
Title: ______________________________
Date: ______________________________

FRANCHISEE:

[*if an individual:*]

____
Name: _____________________________
Date: ______________________________

[*if an entity:*]

____

By: ________________________________
Name: _____________________________
Title: ______________________________
Date: ______________________________

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. **Form of Ownership.** Franchisee is a (check one):

______________ *Sole Proprietorship*
______________ *Partnership*
______________ *Limited Liability Company*
______________ *Corporation*

State: ____________________________

2. **Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. **Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

4. **Designated Owner**:

Name

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

To: ________________________________

This Location Acceptance Letter is issued by Oola Bowls Franchising, LLC for your Oola Bowls franchise in accordance with Section 6.1 of the Franchise Agreement.

1. The Location of the Business is:

   ____

2. The Territory of the Business is:

   ____

OOLA BOWLS FRANCHISING, LLC

By: ______________________________

Name: ____________________________

Title: _____________________________

Date: _____________________________

Attachment 3 to Franchise Agreement

GUARANTY, SURETYSHIP AND NON-COMPETE AGREEMENT

This Guaranty, Suretyship and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Oola Bowls Franchising, LLC, a Pennsylvania limited liability company ("Oola Bowls Franchising").

Background Statement: ______________________ ("Franchisee") desires to enter into a Franchise Agreement with Oola Bowls Franchising for the franchise of an Oola Bowls business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Oola Bowls Franchising to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees and becomes surety for, the prompt payment and performance of all loans, advances, debts, liabilities, obligations, covenants and duties owing by the Franchisee to Oola Bowls Franchising and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees and becomes surety for every other liability and obligation of Franchisee to Oola Bowls Franchising, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Oola Bowls Franchising upon demand from Oola Bowls Franchising. Guarantor waives (a) acceptance and notice of acceptance by Oola Bowls Franchising of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Oola Bowls Franchising make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Oola Bowls Franchising for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Oola Bowls Franchising, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor acknowledges that all Confidential Information is owned by Oola Bowls Franchising or its affiliates (except for Confidential Information which Oola Bowls Franchising licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Oola Bowls Franchising. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, lend money or provide financial assistance to, provide any services to, or be employed by, any Competitor located within five miles of Franchisee's Territory or the territory of any other Oola Bowls business operating on the date of termination or transfer, as applicable. If the Franchise Agreement is terminated before the Territory is determined, then the area of non-competition will the Development Area and the territory of any other Oola Bowls business operating on the date of termination.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court or arbitrator, then the parties intend that the court or arbitrator modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Oola Bowls Franchising. Guarantor agrees that the existence of any claim it or Franchisee may have against Oola Bowls Franchising shall not constitute a defense to the enforcement by Oola Bowls Franchising of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Oola Bowls Franchising may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

5. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Pennsylvania (without giving effect to its principles of conflicts of law). The parties agree that any Pennsylvania law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Oola Bowls Franchising all costs incurred by Oola Bowls Franchising (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

Agreed to by:

____
Name: __________________________
Address: ________________________
____
____
Date: ___________________________

____
Name: __________________________
Address: ________________________
____
____
Date: ___________________________

____
Name: __________________________
Address: ________________________
____
____
Date: ___________________________

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT

OOLA BOWLS FRANCHISING, LLC
SATELLITE ADDENDUM

THIS OOLA BOWLS FRANCHISING, LLC SATELLITE ADDENDUM (the "**Satellite Addendum**") is made and entered into on__________ the "**Satellite Effective Date**") by and between **OOLA BOWLS FRANCHISING, LLC** ("**Company**") and ________________________________ a [resident of] [corporation organized under the laws of] [limited liability company organized under the laws of] ("**Franchisee**").

BACKGROUND

A. Company and Franchisee have entered into (or are entering into on the Satellite Effective Date) the OOLA BOWLS FRANCHISING, LLC Franchise Agreement dated __________, as amended (the "**Franchise Agreement**") for the operation of the Oola Shop located at ____________ (the "**Shop**").

B. Company has developed or may develop freestanding units (including farmers' market stands, shopping mall units, mobile carts, stationary carts, kiosks, trailers, and vans) which (i) are decorated to meet Company's specifications and (ii) offer approved Menu Items for satellite shops ("**Satellite Menu Items**") utilizing the Products and Company's formulas and methods for preparing the Products.

C. Franchisee desires to operate an Oola Bowls satellite shop ("**Satellite Shop**") and may conduct Mobile Events (defined below) under the System and Proprietary Marks, and Company is willing to permit such operations of the Satellite Shop pursuant to the terms and conditions set forth in the Franchise Agreement and in this Satellite Addendum.

D. Any other capitalized terms used in this Satellite Addendum and not otherwise defined will have the meaning given to those terms in the Franchise Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **REFERENCES IN THE FRANCHISE AGREEMENT**. Whenever reference is made in the Franchise Agreement or Manuals to the "Shop" or any other reference to the business franchised under that Franchise Agreement, those terms are amended to include the Satellite Shop that Franchisee is authorized to operate under this Satellite Addendum; provided, however, nothing in the Franchise Agreement shall authorize Franchisee to operate the Satellite Shop contrary to this Satellite Addendum and the Manuals.

2. **GRANT OF RIGHT TO OPERATE SATELLITE SHOP**.

2.1 By executing this Satellite Addendum, Company grants Franchisee the right to operate one Satellite Shop under the Proprietary Marks and System. The Satellite

Shop may be a farmers' market stand, mobile cart, stationary cart, kiosk, trailer, or van that (i) satisfies Company's specification and (ii) has been purchased from a supplier designated by Company. Company must approve the plans and design of the Satellite Shop purchased from a supplier designated by Company. Franchisee may not make any modifications to the Satellite Shop without Company's prior written approval. Franchisee's right to operate the Satellite Shop (pursuant to this Satellite Addendum) is dependent on the Shop remaining open and operational. Any closure of the Shop, temporary or permanent, will cease Franchisee's right to operate the Satellite Shop.

2.2 Depending on the mobility of the Satellite Shop, Franchisee's Satellite Shop may engage in off-premises special events, activities, or sales, including specialty parties, festivals, and business events (each, a "**Mobile Event**") in the Territory in accordance with the terms of this Satellite Addendum. A Mobile Event is any event where you operate a Satellite Shop and serve Satellite Menu Items at the event site. The definition of a Mobile Event may be further defined and refined in the Manual. The Satellite Shop cannot be used for Mobile Events or Catering Activities within the Territory of another Oola Shop unless Franchisee has complied with the standard procedures for conducting a Mobile Event (including the Mobile Event Request approval process and we have approved the Mobile Event Request).

2.3 Franchisee acknowledges that this Satellite Addendum does not grant or imply any protected area or territory for the Satellite Shop.

2.4 For the Satellite Shop, all Products must be prepared at the Shop. Franchisee shall comply with the System Operating Standards, specifications, rules, process and procedures established by Company for Oola Bowls Satellite Shops as set forth in the Manuals or otherwise in writing, including (i) procedures for preparing, maintaining, transporting and serving Products, (ii) required equipment used for the transportation of Products, (iii) training requirements for a required supervisor for all Mobile Events, and (iv) the Satellite Menu Items that may be offered at Oola Bowls Mobile Events. In the event that Franchisee is in default of the Franchise Agreement and/or the Shop is in not in operational compliance with the Franchise Agreement, System Operating Standards and/or Manuals, Company shall have the right to terminate this Satellite Addendum or Company may suspend approving Mobile Events for Franchisee's Satellite Shop.

2.5 Franchisee must obtain insurance to cover the Satellite Shop and Franchisee's operations under this Satellite Addendum, and such insurance must comply with the insurance requirements in the Manuals and Franchise Agreement (including providing Company certificates of insurance).

2.6 Franchisee shall obtain all required health, sanitation, business, and other permits and licenses for the lawful operation of the Satellite Shop to engage in Mobile Events.

2.7 Company may, as Company deems advisable, inspect the Satellite Shop and all terms of the Franchise Agreement related to inspection of the Shop apply to the Satellite Shop.

2.8 At any time, Company may require Franchisee to upgrade the Satellite Shop and/or any equipment associated with the Satellite Shop. Financial responsibility for the costs, fees and expenses associated with any upgrade of the Satellite Shop and/or its equipment shall be borne solely by Franchisee.

3. **<u>TERM</u>**. Except as otherwise provided herein, the term of this Satellite Addendum begins on the Satellite Effective Date and expires upon the expiration of the current term of the Franchise Agreement (the "**Mobile Term**"). If Franchisee wishes to renew its ability to operate the Satellite Shop when it renews the right to operate the Shop after the current term of the Franchise Agreement expires, Franchisee must make a written request to Company simultaneously with giving notice relating to renewing the right to operate the Shop under Section 2.2.1 of the Franchise Agreement. In the event that (i) Franchisee complies with all the terms in Section 2.2 of the Franchise Agreement, and (ii) Company grants Franchisee the right to renew the right to operate the Shop, Company may, at Company's option and sole discretion, agree to grant Franchisee the right to renew the right to operate the Satellite Shop provided that, at a minimum, Franchisee satisfies the renewal criteria in Section 2 of the Franchise Agreement as they apply to the Satellite Shop and this Satellite Addendum. Further, in connection with any renewal under this Section, Franchisee and its Owners (and their spouses) shall execute the then- current form of Satellite Addendum offered by Company, which shall supersede this Satellite Addendum in all respects, and the terms of which may differ from the terms of this Satellite Addendum. Franchisee's failure to deliver the executed renewal Satellite Addendum and release within 30 days after Company delivers them to Franchisee for execution may be deemed, in the sole discretion of Company, an election by Franchisee not to renew. Notwithstanding the foregoing, every ten years from the Satellite Effective Date, Franchisee shall pay Company a mobile license renewal fee in the amount of $500.

4. **<u>INITIAL FEES AND COMPUTATION OF ROYALTY FEE</u>**.

4.1 In consideration of the rights and license granted herein, Franchisee shall pay Company a Satellite Unit initial franchisee fee of $10,000 (the "**Satellite Franchise Fee**") upon execution of this Satellite Addendum. The Satellite Franchise Fee is fully earned by Company upon execution and delivery of this Satellite Addendum by Company and is not refundable under any circumstances. The Satellite Franchise Fee provides for the operation of one Satellite Shop. The right to operate one Satellite Shop remains in effect only during the Mobile Term.

4.2 Franchisee shall maintain separate books and records for the operation of the Satellite Shop. For purposes of calculation and satisfying the obligations under the Franchise Agreement for the Royalty, the operation of the Satellite Shop, the Gross Sales for the Satellite Shop shall be included in the Gross Sales for the Shop.

5. **COMMENCEMENT OF OPERATIONS OF SATELLITE SHOP**.

5.1 Franchisee must commence operations of the Satellite Shop within 3 months after the commencement of operations of the Shop (or within 3 months of the Satellite Effective Date if the Shop is open as of the Satellite Effective Date) (the "**Required Commencement Date**"). Franchisee's failure to purchase the Satellite Shop and commence operations of such Satellite Shop on or prior to the Required Commencement Date shall be considered a material default under this Satellite Addendum and the Franchise Agreement, and such default will entitle Company to terminate this Satellite Addendum; provided, however, if this Satellite Addendum is terminated solely because of Franchisee's failure to commence operating the Satellite Shop, Company shall not have the right to terminate the Franchise Agreement for such default. Company reserves the right to delay or suspend the Satellite Shop operations if the Shop or any other Oola Shops owned by Franchisee or Franchisee's affiliates are in default under their agreements with Company.

5.2 Franchisee may not use the Satellite Shop at any event site within the Territory of another System franchisee or Company affiliated Oola Shop (including Mobile Events and Catering Activities) unless Franchisee has a request for approval ("**Mobile Event Request**") describing (a) the proposed event, event site, and date(s) of operation, and (b) such other information designated or requested by Company. All Mobile Event Requests must be submitted at least 14 days prior to the proposed date of the event. Company shall have no obligation to consider a Mobile Event Request. In the event that a proposed event site is within the territory of another System franchisee or Company affiliated Oola Shop, Franchisee must (i) seek the written consent of such System franchisee or the Company prior to submitting a Mobile Event Request, (ii) submit a Mobile Event Request at least 14 days prior to the proposed date of the event, and (iii) submit with the Mobile Event Request any terms of the consent agreement (e.g. profit sharing, transport arrangements) with such System franchisee or Company. Company has the right, in its sole discretion, to make the final determination on Mobile Event Requests inside the territory of another System franchisee or Company affiliated Oola Shop.

5.3 Franchisee shall not use the Satellite Shop at any event site within the Territory of another System franchisee or Company affiliated Oola Shop until Company has provided written approval of a Mobile Event Request. In the event that Franchisee uses the Satellite Shop at any event site within the Territory of another System franchisee or Company affiliated Oola Shop without obtaining Company's written approval, such action is a default under this Satellite Addendum and the Franchise Agreement and grounds for immediate termination of this Satellite Addendum and the Franchise Agreement.

6. **SALE OR TRANSFER**. Upon any transfer of the Franchise Agreement the rights under this Satellite Addendum will also be transferred. A transfer of any direct or indirect interest in this Satellite Addendum, in Franchisee, in the Satellite Shop, or any or in all or substantially all of the assets of the Satellite Shop shall be made only (i) with the

prior written approval of Company in accordance with the terms and conditions of the Franchise Agreement, (ii) in conjunction with a simultaneous transfer of all comparable interests held by the transferor under the Franchise Agreement and/or in the Shop, and (iii) in compliance with all of the terms and conditions for transfer contained in the Franchise Agreement. In connection with any approved transfer under the Franchise Agreement and/or in the Shop, the transferee shall execute Company's then-current form of Satellite Addendum (along with the Company's then-current form of franchise agreement for the Shop) which shall supersede this Satellite Addendum in all respects. Because experience operating an Oola Shop is necessary before operating an Oola Bowls Satellite Unit, Franchisee acknowledges that it shall be reasonable for Company to withhold consent for a transferee to commence operating the Satellite Shop for a period between 90 and 365 days from the date of the transfer, as determined by Company in Company's discretion.

7. **DEFAULT**. Any default under the Franchise Agreement shall constitute a default under this Satellite Addendum, and any default under this Satellite Addendum shall constitute a default under the Franchise Agreement. In the event of a default by Franchisee with respect to the operation of the Satellite Shop, Company may, in its sole discretion, either: (a) terminate only this Satellite Addendum and Franchisee's rights hereunder; or (b) subject to Section 5.1 of this Satellite Addendum, terminate both this Satellite Addendum and the Franchise Agreement, and Franchisee's rights thereunder. This Satellite Addendum is an addendum to the Franchise Agreement and, as such, any termination of the Franchise Agreement will terminate this Satellite Addendum and the right to operate the Satellite Shop. The default and termination provisions in Section 15 of the Franchise Agreement apply to Franchisee's operation of the Satellite Shop under the terms of this Satellite Addendum. Upon termination or expiration of this Satellite Addendum, Franchisee shall comply with the obligations in Section 16 of the Franchise Agreement, including the obligations in Section 16.10 related to the Satellite Shop.

8. **ACKNOWLEDGEMENT**. By executing this Satellite Addendum, Company and Franchisee each confirm the Franchise Agreement, as amended by this Satellite Addendum, and reaffirm their respective obligations under the Franchise Agreement (as it is amended by this Satellite Addendum) and incorporate the terms of this Satellite Addendum into the Franchise Agreement. Franchisee acknowledges that it received Company's current franchise disclosure document ("**FDD**") at least 14 calendar days prior to the date on which this Satellite Addendum was executed. Franchisee further acknowledges that it received a completed copy of this Satellite Addendum, and all related agreements attached to the FDD, with any changes to such agreements unilaterally and materially made by Company at least 7 calendar days prior to the date on which this Satellite Addendum and all related agreements were executed. Although Franchisee has been provided with the FDD for informational purposes, the parties acknowledge that the rights granted under this Addendum are an extension of the rights granted under the Franchise Agreement and not the grant of an additional franchise. The parties agree that except as specifically described above, the provisions of this Satellite Addendum are in addition to, and not in lieu of, the provisions of the Franchise Agreement. Franchisee agrees to comply with all provisions of the Manuals or any

written directives of Company having specific applicability to the operation of the Satellite Shop. Except as otherwise provided in this Satellite Addendum, all other terms set forth in the Franchise Agreement shall remain in full force and effect. This Satellite Addendum may be executed and delivered, including by way of electronic signature (PDF formats included) in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree not to challenge the validity, enforceability, or admissibility of this Satellite Addendum's signature process on the grounds that it is in an electronic form (including, but not limited to, via Adobe Sign). By electronically signing this Satellite Addendum, the undersigned represents that he/she is authorized to bind himself/herself, and/or the entity for which he/she is signing.

(Remainder of this page intentionally left blank; signature page follows.)

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered on the Satellite Effective Date this Satellite Addendum to the Franchise Agreement.

FRANCHISEE:

Name:________________________________

Name:________________________________

COMPANY:
OOLA BOWLS FRANCHISING, LLC

By:__________________________________
Title:

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT

ACH AUTHORIZATION
TO INITIATE DEBIT ENTRIES FOR FRANCHISE SERVICE FEES

_______________________________, the undersigned franchisee, hereby authorizes Oola Bowls Franchising, LLC, a Pennsylvania limited liability company, to initiate debit entries to the checking account indicated below at the depository identified below, hereinafter referred to as "Depository", to debit to such account the amount of such entry reflecting service fees and other amounts that become payable by the undersigned to Oola Bowls Franchising, LLC:

Depository Name:	
Depository Address:	
Account Name:	
Depository Branch:	
Routing Number:	
Account Number:	

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that:

This authorization is to remain in full force and effect until Oola Bowls Franchising, LLC has received advance written notification of its termination from the undersigned in such manner as to afford Oola Bowls Franchising, LLC and Depository reasonable time and opportunity to act upon such notification.

IN WITNESS WHEREOF, this authorization has been executed on ___________________________.

FRANCHISEE:

____

By:_____________________________________

Name:__________________________________

Title:___________________________________

<u>ATTACHMENT 6 TO THE FRANCHISE AGREEMENT</u>
FRANCHISEE COMPLIANCE QUESTIONNAIRE

To be completed by each signatory to the Franchise Agreement.

Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

As you know, Oola Bowls Franchising, LLC ("we", "us"), and you are preparing to enter into a Franchise Agreement for the right to open and operate one (1) franchise (a "Oola Shop"). The purpose of this questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement. Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the space provided below. If you did not answer "No" to any of the questions below, please fill in "N/A" or "None" in the space provided below.

1.	Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to the agreement that you intend to enter into with us?	Yes	No
2.	Have you received and personally reviewed the Franchise Disclosure Document we provided?	Yes	No
3.	Did you sign a receipt for the Disclosure Document indicating the date you received it?	Yes	No
4.	Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?	Yes	No
5.	Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?	Yes	No
6.	Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Prospect Pool, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?	Yes	No

7.	Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?	Yes	No
8.	Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the OOLA BOWLS Marks or any other mark at any location under the Franchise Agreement without regard to the proximity of these activities to the premises of your Franchised Business?	Yes	No
9.	Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?	Yes	No
10.	Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?	Yes	No
11.	Do you understand that the Franchisee (or one of its principals if Franchisee is an organization) must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?	Yes	No
12.	Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?	Yes	No
13.	Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?	Yes	No
14.	Do you understand that we will send written notices, as required by your Franchise Agreement to either your Franchised Business or home address until you designate a different address by sending written notice	Yes	No

to us?

15.	Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?	Yes	No
16.	Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?	Yes	No
17.	Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?	Yes	No
19.	Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?	Yes	No
19.	Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?	Yes	No

If you answered "No" to any of the questions above, please explain your answer in the space provided below. If you did not answer "No" to any of the questions Above, please fill in "N/A" or "None" in the space provided below. Please provide a complete explanation of any "No" responses below (please refer to question number).

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant	Signature of Franchise Applicant
Print Name	Print Name
Date	Date

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Oola Bowls Franchising, LLC, a Pennsylvania limited liability company ("Franchisor") and ______________, a ______________ ("Developer") on the Effective Date.

Background

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system related to the establishment, development, opening, and operation of a restaurant offering acai bowls and smoothies (each, an "Oola Shop").

B. Each Oola Shop offers the menu designated by Franchisor and related services in accordance with the distinguishing features of Franchisor's system, which include, but are not limited to, the name "OOLA BOWL"; specially designed emblems, insignia, logos, trade names, trademarks and service marks that Franchisor now or in the future designates (collectively, the "Marks"); recipes, ingredients, products, methods, procedures, distinctive products and the formula and quality standards therefore; and instructional materials and training courses; all of which may be changed, improved and further developed by Franchisor from time to time (collectively, the "System").

C. Franchisor grants qualified third parties the right to develop multiple Oola Shops within a defined geographical area (the "Development Area") in accordance with a mandatory development schedule that must be strictly adhered to, with each Oola Shop within the Development Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current franchise agreement (each, a "Franchise Agreement").

E. Developer recognizes the benefits from receiving the right to operate an Oola Shop and desires to: (i) become a multi-unit Oola Shop operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

F. Developer has applied for the right to open and operate a certain number of Oola Shops within a Development Area set forth in this Agreement below, and Franchisor has approved such application in reliance on Developer's representations made therein.

G. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Oola Shops and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Multi-Unit Commitment.

(a) Development Schedule; Development Fee. Developer shall develop and open Oola Bowls Oola Shops on the following schedule:

Oola Shop #	Deadline for Opening	Total # of Oola Shops to be Open and Operating on Deadline
1		1
2		2
3		3
4		4
5		5
6		6
7		7
8		8
9		9
10		10

The Development Fee is calculated as follows:

Number of Shops	Development Fee (due at signing MUDA)
3	$55,000
4	$65,000
5	$75,000
6	$85,000
7	$95,000
8	$105,000
9	$115,000
10	$125,000

(b) Payment**.** Upon execution of this Agreement, Developer agrees to pay Franchisor the development fee set forth in the above chart. The parties agree and acknowledge that, upon payment of the Development Fee required by this Section the Development Fee will be deemed fully earned by Franchisor and not refundable under any circumstances.

2. Form of Agreement; Additional Initial Franchise Fees. For Oola Shop #1, Developer and Franchisor have executed the Franchise Agreement simultaneously with this MUDA. For each additional Oola Shop, Developer shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Developer leases or acquires a location. Upon signing each additional Franchise Agreement for an Oola shop to be developed pursuant to this MUDA, Developer shall pay to Franchisor the then-current Initial Franchise Fee, less $10,000. This MUDA does not give Developer the right to construct, open, or operate an Oola Shop, and Developer acknowledges that Developer may construct, open, and operate each Oola Shop only pursuant to a separate Franchise Agreement executed pursuant to this MUDA for each such Oola Shop.

3. Development Area. Developer shall locate each Oola Shop it develops under this MUDA within the following area: ____ (the "Development Area"). Developer acknowledges that it does not have exclusive rights to develop, open or operate Oola Shops in the Development Area. Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the required number of new Oola Shops in accordance with the above chart; and (ii) has the minimum cumulative number of Oola Shops open and operating in accordance with the above chart. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule is grounds for immediate termination of this Agreement (and any future development rights granted hereunder).

4. Default and Termination. Franchisor may terminate this MUDA by giving notice to Developer, without opportunity to cure, if any of the following occur:

(i) Developer fails to satisfy the development schedule; or

(ii) Franchisor has the right to terminate any Franchise Agreement between Franchisor and Developer (or any affiliate thereof) due to Developer's default thereunder (whether or not Franchisor actually terminates such Franchise Agreement).

5. Limitation of Liability. Developer's commitment to develop Oola Shops is in the nature of an option only. If Franchisor terminates this MUDA for Developer's default, Developer shall not be liable to Franchisor for lost future revenues or profits from the unopened Oola Shops.

6. Conditions. Developer's right to develop each Oola Shop after the Oola Shop #1 is subject to the following:

(i) Developer must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Oola Shop, in the reasonable judgment of Franchisor, and

(ii) Developer must be in full compliance with all brand requirements at its open Oola Shops, and not in default under any Franchise Agreement or any other agreement with Franchisor.

7. Choice of Law; Jurisdiction and Venue. This Agreement will be governed by the laws of the Commonwealth of Pennsylvania (without reference to its conflict of laws principals). With respect to any proceeding not subject to mediation, the parties expressly agree to the jurisdiction and venue of any state court of general jurisdiction that is closest to our then-current headquarters and the jurisdiction and venue of the United States District Court for the Eastern District of Pennsylvania. You acknowledge that this Agreement has been entered into in the Commonwealth of Pennsylvania and that Developer will receive valuable and continuing services emanating from Franchisor's headquarters in Lancaster, Pennsylvania, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Developer hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Pennsylvania set forth above.

8. Injunctive Relief. Nothing contained in this Agreement herein will prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation proceeding conducted hereunder.

9. Third Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Developer. Franchisor may transfer this Agreement without providing Developer with notice.

10. Jury Trial Waiver. The parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Developer's purchase from Franchisor of the development rights described herein.

11. Waiver of Punitive Damages. Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor 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, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

12. Attorneys' Fees. If either party institutes any judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

13. Nonwaiver. Franchisor's failure to insist upon strict compliance with any provision of this Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

14. Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

15. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

16. Successors. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

17. Additional Documentation. You must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

18. State Law Applies. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Developer's initial Oola Shop is located, then the valid law or regulation of that state applicable to the Oola Shop will supersede any provision of this Agreement that is less favorable to Developer.

19. Entire Agreement. This Agreement contains the entire agreement between the parties concerning Developers' development rights within the Development Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

20. Reservation of Rights. The parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein, including the right to open and operate, or license third parties the right to open and operate, Oola Shops at any location within or outside the Development Area; provided, however, that Franchisor will not open or operate, or license a third party the right to open or operate, any Oola Shop (franchised or otherwise) within any "Territory" that is granted to Developer under each Franchise Agreement that Developer enters into pursuant to this Agreement during the term of that Franchise Agreement.

21. **Notices**. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

Agreed to by:

FRANCHISOR:

OOLA BOWLS FRANCHISING, LLC

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

DEVELOPER:

[*if an individual:*]

____
Name: ____________________________

[*if an entity:*]

____

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

EXHIBIT D

RIDER TO LEASE AGREEMENT AND COLLATERAL ASSIGNMENT OF LEASE

Landlord: ______________________________
Notice Address: _________________________
____
____
Telephone:____________________________

Franchisor: Oola Bowls Franchising, LLC
Notice Address: 108 Foxshire Drive,
Lancaster, PA 17601
Telephone: 716-818-5336

Tenant: ______________________________

Leased Premises: ____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of an Oola Bowls business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Oola Bowls brand. Any provision of the Lease which limits Tenant's right to own or operate other Oola Bowls outlets in proximity to the Leased Premises shall not apply to Franchisor.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and

commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

9. The initial term of the lease/sublease, or the initial term together with renewal terms, shall be for 10 years, unless otherwise approved in writing by Franchisor;

10. The Landlord consents to Tenant's use of such proprietary marks and initial signage as Franchisor may prescribe for the Premises;

11. The use of the Premises be restricted solely to the operation of the Oola Bowls franchised business;

12. The Landlord provides to Franchisor copies of any and all notices of default given to Tenant under the lease;

13. Upon termination or expiration of the Lease, Franchisor has the right, at Franchisor's option, to assume (or have another of Franchisor's franchisees operating under the Franchisor) assume Tenant's interest under the lease without the Landlord's consent;

14. Franchisor has the right to enter the premises to make modifications necessary to protect the proprietary marks or the Franchisor's interests or to cure any default under the Lease; and

15. At Franchisor's request, the Landlord must provide to Franchisor any and all sales information that has been provided to Landlord by Tenant.

Executed by:

LANDLORD:

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

TENANT:

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

FRANCHISOR:
OOLA BOWLS FRANCHISING, LLC

By: ______________________________
Name: ____________________________
Title: _____________________________
Date: _____________________________

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, ________________________________*[insert legal entity used on the lease]* the undersigned ("Assignor"), doing business as Oola Bowls of ___________________ *[insert territory/dba name]*, hereby assigns, transfers and sets over unto Oola Bowls Franchising, LLC, a Pennsylvania limited liability company, with an address of 108 Foxshire Drive, Suite 1, Lancaster, PA 17601 ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease") respecting Premises at ____________________________ ____*[insert address of leased space]*. This agreement is for collateral purposes only and except as specified herein, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of the Lease unless Assignee takes possession of the Premises pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the Premises.

Upon a default by Assignor under the Lease or under the franchise agreement for an Oola Bows Shop between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, or upon expiration or termination of the Franchise Agreement, Assignee will have the right and is hereby empowered to take possession of the Premises, expel Assignor therefrom, and, in such event, Assignor will have no further right, title or interest in the Lease.

Assignor agrees it will not allow or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it may elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that such option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension of renewal.

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore-described Lease hereby:

1. Agrees to notify Assignee in writing at the address noted in the opening paragraph, of and upon the failure of Assignor to cure any default by Assignor under the Lease;

2. Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;

3. Consents to the foregoing Collateral Assignment and agrees that if Assignee takes possession of the Premises and confirms to Lessor the assumption of the Lease by

Assignee as tenant thereunder, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within such 30-day period the defaults of Assignor under the Lease;

4. Agrees that Assignee may further assign the Lease or its interest therein or sublet the Premises to a person, firm or corporation who is an Oola Bows Shop franchisee who is reasonably acceptable to Lessor. In the case of an assignment, Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise. In the case of an assignment or sublease, this Consent and Agreement of Lessor will continue to apply with respect to any such subsequent Oola Bows Shop franchisee.

5. Scanned or facsimile signatures shall be binding as if original.

ASSIGNOR / FRANCHISEE:

____
[insert legal entity / name on lease above]

By:_____________________________________

Name:__________________________________

Title:___________________________________

Date:___________________________________

ASSIGNEE/FRANCHISOR:

OOLA BOWLS FRANCHISING, LLC

By:_____________________________________

Name:__________________________________

Title:___________________________________

Date:___________________________________

LESSOR/LANDLORD:

____
[Insert landlord legal entity/name above]

By:_____________________________________

Name:__________________________________

Title:___________________________________

Date:___________________________________

SCHEDULE 1
(the “Lease”)

EXHIBIT E

FORM OF GENERAL RELEASE

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release ("Release") is executed by the undersigned ("Releasor") in favor of Oola Bowls Franchising, LLC, a Pennsylvania limited liability company ("Oola Bowls Franchising").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Oola Bowls Franchising, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Oola Bowls Franchising reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by:

____
Name: ____________________________
Date: _____________________________

EXHIBIT F

CALL OPTION

A. **Acquired Interests**. In addition to, but not in lieu or limitation of, all of Oola Bowls Franchising, LLC's ("we," "us," or "our") other rights and remedies set forth in the Oola Bowls Franchise Agreement (the "Franchise Agreement"), made by and between us and ______________________________ the undersigned Franchisee ("you" or "your"), we have the option (the "Call Option") in the circumstances set forth in Section B below to purchase from you and your owners and upon our exercise of the Call Option you and/or your owners shall sell to us, all "Acquired Assets" of your Oola Shop operated pursuant to the Franchise Agreement (the "Call Option Oola Shop"), which term is defined to mean the assets described in the template Asset Purchase Agreement ("APA") attached as Attachment 1 to this Call Option Exhibit.

For ease of reference in this Exhibit, the "Option Parties" shall refer collectively to you and all owners and, when applicable, your affiliates. Further, the Call Option Oola Shop and any Other Oola Shops that we allow to participate in this Call Option process (in accordance with Section 10) may be referred to individually as a "Purchased Oola Shop" and collectively as the "Purchased Shops."

We have the unrestricted right upon notice to, but without the required consent of, the Option Parties to assign this Call Option to any other person or entity, which then will have all of the rights described in this Call Option. All references in this Call Option to "we" or "us" are deemed to include our assignee if we assign this Call Option.

The Option Parties agree to take all steps we reasonably require to ensure that the obligations under this Exhibit are binding on their respective affiliates and all Owners.

B. **Call Option Triggers**. We have the right to exercise the Call Option by giving you an option exercise notice (the "Option Exercise Notice"), within the timeframe specified in Section 15.8 of the Franchise Agreement, in the circumstances specified in Section 15.8 of the Franchise Agreement.

By signing the Franchise Agreement, you agree that, if we give you the Option Exercise Notice in either of the circumstances specified in Section 15.8 of the Franchise Agreement, that Option Exercise Notice will confirm (a) our willingness to forbear from enforcing the expiration or termination (as applicable) of the Franchise Agreement—which expiration or termination will not otherwise be reversed, repealed, or otherwise made ineffective—for the sole purpose of allowing the Call Option process to continue in accordance with this Call Option Exhibit and (b) the Option Parties' obligation to comply with the Call Option process in accordance with this Call Option Exhibit.

However, if the Call Option process ends (for any or no reason) before the "Hard Close" (as defined below)—including, without limitation, if we rescind our exercise of the Call Option in accordance with Section 9—then our forbearance from enforcing the expiration or termination (as applicable) of the Franchise Agreement will end concurrently with the end of the Call Option process, without further notice from or action by us, at which time you and your Owners must immediately comply with all post-expiration or post-termination (as applicable) obligations specified in the Franchise Agreement (including, without limitation, those specified in Sections 13.2 and 14.3).

3. **Delivery of Option Exercise Notice**. The date on which you receive the Option Exercise Notice is called the "Option Notice Date." Beginning immediately upon the Option Notice Date and continuing until the Hard Close, the Option Parties will continue to operate the Call Option Oola Shop in the ordinary course of business in accordance with the Franchise Agreement, and comply with all other requirements in Section 8 of this Call Option, and no further actions related to the exercise of the Call Option will take place except as set forth in this Call Option Exhibit. At all times after the Option Notice Date and continuing until the Hard Close, the Option Parties shall give us and our authorized representatives full access to the Franchised Business and all Option Parties' books and records related to the Franchised Business consistent with our rights under the Franchise Agreement.

4. **Execution of APA**. Within sixty (60) days after the determination of the Call Option Price in accordance with Section 5, we and the Option Parties shall conduct a "soft close" of the sale to us of the Acquired Assets of the Purchased Oola Shop (or Shops) by, among other things:

(a) executing the APA, which, together with all related exhibits and transaction documents (collectively, the "Transaction Documents"), shall first be modified as reasonably necessary to reflect, among other things, the specifics of each Purchased Oola Shop and its operation, the Acquired Assets, the Excluded Assets, the Assumed Liabilities, and the Excluded Liabilities (as such terms are defined in the APA); and

(b) taking all other action that customarily occurs in connection with the "soft close" of the sale of an Oola Shop, as we reasonably determine.

Except as otherwise expressly provided in this Call Option Exhibit, the executed APA (as modified for the transaction between us and the Option Parties) and the other Transaction Documents will govern all substantive and procedural aspects of our acquisition of the Acquired Assets from the Option Parties.

5 **Call Option Price**.

(a) The purchase price payable to the Option Parties at the Closing (as defined in the APA, which is customarily referred to in the Oola Shop franchise system and in this Call Option Exhibit as the "Hard Close") of our purchase of the Acquired Assets following our exercise of the Call Option (the "Call Option Price") shall, except as provided below, be the product of:

1. the Oola Shop's Adjusted EBITDA (defined below); multiplied by

2. the following applicable multiple, which will depend on the TTM Revenue (defined below) of the Purchased Oola Shop or Purchased Shops (as applicable):

Annualized TTM Revenue	Multiple
$0 - $500,000	3.00x
$500,001 - $1,000,000	3.25x
$1,000,001 - $1,500,000	3.50x
$1,500,001 or greater	3.75x

For purposes of this Section 5:

3 "TTM Revenue" means the Oola Shop Sales during the 12 full-month period ending on the last day of the month immediately preceding the Option Notice Date.

4 "Adjusted EBITDA" means the Purchased Oola Shop's (or Shops') EBITDA (i.e., net income before interest, taxes, depreciation and amortization) during the twelve full calendar-month period preceding the Option Notice Date (the "Measurement Period"), plus adjustments for (1) nonrecurring related revenue or expense activities, (2) add-backs for owner discretionary expenses and compensation that will not continue offset by fair-market replacement cost for the owner's day-to-day participation, (3) business expense activities that are not fully reflected in trailing results, and (4) expenses that would have been incurred had the Purchased Oola Shop (or Shops) been in full compliance with the Franchise Agreement prior to our exercise of the Call Option (which may include, without limitation, those expenses set forth in Item 7 of the Franchise Disclosure Document—which include, among other things, expenditures for leased space for the Purchased Oola Shop (or Shops) and expenses related to the employment of a manager,—to the extent such expenses were not incurred but should have been incurred to maintain compliance with the Franchise Agreement).

Notwithstanding anything herein to the contrary, if

1. the Call Option Oola Shop is the only Oola Shop owned by you and your affiliates; or

2. you and your affiliates own one or more Other Oola Shops and you request that we include in the Call Option process, and purchase from you and, if applicable, your affiliates, the Acquired Assets of such Other Oola Shops (as contemplated in Section 10), and we accept such request; then the Call Option Price will be, at a minimum, an amount which results in the cash paid at the Hard Close under the APA (net of any escrowed amounts) being (i) equal to or more than the amount paid by you (and, if applicable, your affiliates) for the Purchased Oola Shop (or Shops), if such Purchased Oola Shop was (or such Purchased Shops, if applicable, were) acquired by you as part of a resale transaction, and (ii) sufficient to pay off in full and discharge any loans held by you (and, if applicable, your affiliates) with respect to

the Purchased Oola Shop (or Shops) that are guaranteed by the United States Small Business Administration.

For purposes of clause (1) above, if the Purchased Oola Shop was (or the Purchased Shops, if applicable, were) acquired by you as part of a resale transaction, and such resale transaction involved one or more other Oola Shops that you or your affiliates later sold (each, a "Divested Oola Shop"), then the amount paid by you (and, if applicable, your affiliates) for the Purchased Oola Shop (or Shops) in connection with such resale transaction will be determined by deducting the purchase price paid to you or your affiliates for the Divested Shops from the total purchase price of such resale transaction.

Attachment 2 to this Call Option Exhibit includes illustrative examples of the calculation of the Call Option Price under this Section 5(a) in various hypothetical scenarios.

(b) If there is more than one Purchased Oola Shop, the Call Option Price will be calculated, based on the formula described in (a) above, to include the value in the aggregate of all such Purchased Shops (the "Enterprise Value").

(c) The Option Parties shall close the books of account for the Measurement Period and provide us with copies of unaudited statements of profit and loss and balance sheets for the Measurement Period (along with such workpapers and supporting documentation as we may request) within thirty (30) days following the end of the Measurement Period. We will then provide you with written notice setting forth our calculation of the Call Option Price in accordance with Section 5(a) ("Call Option Price Notice") within thirty (30) days following our receipt of such financial information.

(d) (1) If the Option Parties disagree with our calculation of the Call Option Price, they must provide us with written notice of such objection ("Notice of Objection") within fifteen (15) days following receipt of the Call Option Price Notice. If the Option Parties do not deliver a Notice of Objection to us within fifteen (15) days following receipt of the Call Option Price Notice, then the Call Option Price set forth in the Call Option Price Notice will be final.

(2) If the Option Parties timely deliver a Notice of Objection, they agree to negotiate with us in good faith during the immediately-succeeding fifteen (15) days to determine the Call Option Price ("Call Option Price Negotiation Period").

(3) If we and the Option Parties cannot agree on the Call Option Price during the Call Option Price Negotiation Period, the Call Option Price will be calculated as set forth above in Section 5(a), except that "Adjusted EBITDA" for purposes thereof, and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)), will be determined as follows:

(i) The Option Parties will select an Accounting Firm (as defined below), subject to our approval (which will not be unreasonably withheld, conditioned, or delayed), within fifteen (15) days after expiration of the Call Option Price Negotiation

Period to determine the Adjusted EBITDA and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)). Subject to Section 9, the fees and expenses of the Accounting Firm will be shared 50% by us and 50% by the Option Parties.

(ii) We and the Option Parties must send the Accounting Firm any details and supporting documents the Accounting Firm requests within ten (10) days after receiving such request from the Accounting Firm.

(iii) In determining the Adjusted EBITDA, the Accounting Firm shall be bound to apply the definition of Adjusted EBITDA set forth in Section 5(a) above, including the adjustments contemplated therein, and shall otherwise determine Adjusted EBITDA in the same manner as it would customarily perform a "quality of earnings" analysis for a franchised business of a similar size as the Purchased Oola Shop (or Shops). Further, to the extent that the Option Parties own one or more Oola Shops that are not included in the Call Option process ("Excluded Shops"), and any costs and expenses are shared between the Purchased Oola Shop (or Shops) and such Excluded Shops, the Accounting Firm shall allocate such shared costs and expenses between the Purchased Oola Shop (or Shops) and such Excluded Shops on a pro rata basis based upon the Purchased Oola Shop's (or Shops') TTM Revenue compared to the TTM Revenue of all Oola Shops owned by the Option Parties.

(iv) The Accounting Firm must complete its determination of the Adjusted EBITDA and the Call Option Price resulting therefrom (and from the application of the other provisions of Section 5(a)) within forty- five (45) days following the end of the Call Option Price Negotiation Period.

For the avoidance of doubt, if an Accounting Firm is engaged in accordance with this Section 5(d)(3), then the Call Option Price calculated by the Accounting Firm in accordance with its determination of Adjusted EBITDA and its application of the other provisions of Section 5(a) will be the Call Option Price, notwithstanding the other provisions of this Section 5. Further, if an Accounting Firm is engaged in accordance with this Section 5(d)(3) and there is more than one Purchased Oola Shop, the Accounting Firm shall calculate the Adjusted EBITDA of all such Purchased Shops and shall determine the Enterprise Value in accordance therewith (taking into account the other provisions of Section 5(a) above).

For purposes of this Section 5(d)(3), "Accounting Firm" means an independent, nationally-recognized accounting firm with expertise in performing quality of earnings analyses of QSR businesses and whose fees for conducting the calculations contemplated herein are on a flat hourly or project basis and are not in any way tied to the determination of Adjusted EBITDA or the Call Option Price.

Attachment 2 to this Call Option Exhibit includes an illustrative example of the process to be followed to calculate the Call Option Price under this Section 5(d) in a hypothetical scenario in which you disagree with our calculation of the Call Option Price under Section 5(a) and are allowed by us to have one or more additional Oola Shops that you and your affiliates own participate in the Call Option process in addition to the Call Option Oola Shop.

(e) The Call Option Price will be paid in cash at the Hard Close, (1) subject to an amount up to fifteen percent (15%) of the Call Option Price being deposited into and held in escrow for a period of six (6) months following the Hard Close (with ten percent (10%) of the Call Option Price released at the three (3)-month anniversary of the Hard Close and the remaining five percent (5%) released at the six (6)-month anniversary of the Hard Close) to satisfy the Option Parties' indemnification obligations specified in the APA, and (2) minus the other deductions permitted in the APA.

6. **Closing Date**. The Hard Close of the sale to us of the Acquired Assets shall occur on or before the date specified in the APA (unless we otherwise agree), and in all cases is subject to the satisfaction of all conditions precedent to closing set forth in the APA, including, without limitation, our having received all Licenses (defined in the APA) enabling us to operate the Purchased Oola Shop (or Shops) in the same manner as you operated the Purchased Oola Shop (or Shops) before the Hard Close. At the Hard Close, we are entitled to receive all agreements, covenants, representations and warranties, closing documents, and post-closing indemnifications we reasonably require, with all sales, business, value-added, and other transfer taxes paid by the seller, such deliverables to include, without limitation, instruments transferring to us good and merchantable title to the Acquired Assets, free and clear of all liens and encumbrances. The Option Parties shall take all further action that is necessary or desirable (in our sole judgment) to consummate and make effective, in the most expeditious manner practicable, the sale to us of the Acquired Assets free and clear of all liens and encumbrances.

7. **Enforcement of Call Option**. You and your Owners acknowledge and agree that, notwithstanding anything to the contrary in the Franchise Agreement, we have the right to enforce this Call Option against you and your Owners by seeking injunctive relief or an order for specific performance from an arbitrator or a court. The mediation provision in Section 15.2 of the Franchise Agreement shall not apply to our efforts to enforce this Call Option.

8. **Receipt of Option Exercise Notice**. Upon the Option Notice Date and until the Hard Close, the Option Parties shall:

(a) continue operating the Purchased Oola Shop (or Shops), or cause the Purchased Oola Shop (or Shops) to be operated, in full compliance with the applicable Franchise Agreement(s) and in the ordinary course of business, without regard to the circumstances under Section 15.8 of the Franchise Agreement that triggered our right to exercise the Call Option;

(b) not sell any of the Acquired Assets in one transaction or in a related series of transactions, other than in the ordinary course of the Purchased Oola Shop's (or Shops') business;

(c) not initiate any proposed Transfer under Section 15 of the Franchise Agreement for any Purchased Oola Shop, which Transfer (with respect to the Call Option Oola Shop) is prohibited in light of the expiration or termination of the Franchise Agreement;

(d) not permit the Purchased Oola Shop (or Shops) to create, incur, or assume any additional debt other than in the ordinary course of the Purchased Oola Shop's (or Shops') business;

(e) cause the Purchased Oola Shop (or Shops) to pay or otherwise satisfy (unless being contested in good faith and subject to any applicable grace period) all other indebtedness and liabilities (including taxes and trade payables) when the same shall become due and consistent with past practice;

(f) not take any action to liquidate the Purchased Oola Shop (or Shops), make any general assignment for the benefit of the Purchased Oola Shop's (or Shops') creditors, voluntarily file or consent to the involuntary filing under the United States Bankruptcy Code, or commence any proceeding for the appointment of a receiver; and

(g) remain subject to the terms of the Franchise Agreement.

9. **Right to Rescind Exercise of Call Option**. We have the right to rescind our exercise of the Call Option at any time—and for any reason or no reason—after the Option Notice Date and before our and the Option Parties' full execution of the APA. Further, we have the right to rescind our exercise of the Call Option at any time after the Parties' full execution of the APA and before the Closing (as defined in the APA) if we terminate the APA in accordance with its terms.

If we rescind our exercise of the Call Option as contemplated herein, you and your Owners must immediately comply with all post-expiration or post-termination (as applicable) obligations specified in the Franchise Agreement (including, without limitation, those specified in Sections 13.2 and 14.3). Further, if we rescind our exercise of the Call Option after an Accounting Firm has been engaged in accordance with Section 5(d)(3), we will bear responsibility for 100% of the fees and expenses of the Accounting Firm.

10. **Request for Participation in Call Option Process**. If we exercise the Call Option with respect to the Call Option Oola Shop, you will have the option to request that we include in the Call Option process, and purchase from you and, if applicable, your affiliates, the Acquired Assets of all of the other Oola Shops that you and your affiliates then own and operate under separate franchise agreements with us (the "Other Oola Shops"). You must submit your request to us in the manner and by the deadline we specify when we send you our Option Exercise Notice. We have the right, but no obligation, to accept your request. If we do accept your request for such Other Oola Shops, the Call Option process for such Other Oola Shops will follow the same process and be subject to the same terms provided in this Call Option.

We have the right to require that the sale of the Acquired Assets of such Other Oola Shops be governed either by the same APA and other Transaction Documents to be executed for the sale of the Call Option Oola Shop or by a separate Asset Purchase Agreement and transaction documents, although in the latter circumstances (a) the documents will be identical in form to the APA and other Transaction Documents, subject only to modifications necessary to reflect information and materials specific to the Other Oola Shops whose Acquired Assets we are acquiring, and (b) the Call Option Price shall equal the Enterprise Value, minus the deductions permitted in the APA. In all cases, the Hard Close with respect to all Purchased

Shops shall occur on the same date. (If we agree to include in the Call Option process the Other Oola Shops, the franchise agreements for such Other Oola Shops (other than the Call Option Oola Shop's Franchise Agreement) will be deemed effectively terminated automatically and concurrently with the effectiveness of the Hard Close.)

11. **Further Assurances**. From time to time after the Option Notice Date and until the Hard Close, the Option Parties shall take and cause their affiliates and others under their direction or control to take such further action as we reasonably request to more effectively transfer to and vest in us, and to put us in possession of, the Acquired Assets, including, without limitation, completing filings with governmental authorities, processing change of ownership or information documentation, and preparing financial information, tax returns, or cost reports.

12. **Miscellaneous**. All initial-capitalized terms used but not defined in this Exhibit will have the meanings set forth in the Franchise Agreement.

FRANCHISOR:
OOLA BOWLS FRANCHISING, LLC

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

FRANCHISEE:

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

By: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

ATTACHMENT 1 TO CALL OPTION EXHIBIT

ASSET PURCHASE AGREEMENT SAMPLE

Asset Purchase Agreement

This Asset Purchase Agreement (this "**Agreement**"), dated as of [DATE], is entered into between **[NAME OF SELLER]**, a [STATE] [TYPE OF ENTITY] ("**Seller**"), and **[NAME OF BUYER]** a [STATE] [TYPE OF ENTITY] ("**Buyer**").

Recitals

A. Seller operates the premises located at [ADDRESS], (the "**Existing Location**") as an Oola Bowls franchised Shop (the "**Business**").

B. Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, of the Business at the Existing Location, and operate the Existing Location as a franchisee of the franchise system operated by Seller's affiliate, Oola Bowls Franchising, LLC, subject to the terms and conditions set forth herein.

Now, Therefore, in consideration of the mutual covenants and agreements hereinafter set forth, and intending to be legally bound, the parties hereto agree as follows:

I. Purchase and Sale

A. Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, convey, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in, to, and under all of the tangible and intangible assets, properties, and rights of every kind and nature and wherever located (other than the Excluded Assets), that are primarily or exclusively used or held for use in connection with, the Business at the Existing Location (collectively, the "**Purchased Assets**"), including the following:

a. all inventory, finished goods, raw materials, packaging, supplies, and other inventories and salable products and foodstuffs ("**Inventory**"), as mutually agreed by Buyer and Seller, will be set forth on Section 1.01(a) of the Disclosure Schedules;

b. the rights to that certain Lease by and between Seller, as "Tenant" thereunder, and [NAME OF LANDLORD], as "Landlord," dated [DATE] (the "**Lease**"), including the security deposit in the amount of [AMOUNT OF SECURITY DEPOSIT], which shall be assigned to Buyer, together with each of the Contracts (inclusive of the Lease, the "**Assigned Contracts**") set forth on Section 1.01(b) of the Disclosure Schedules. The term "**Contracts**" means all contracts, leases, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures, and all other agreements, commitments, and legally binding arrangements, whether written or oral;

c. all furniture, fixtures, equipment, machinery, tools, office equipment, supplies, computers, telephones, and other tangible personal property located at or reasonably necessary for the use and operation of the Business at the Existing

Location (the "**Tangible Personal Property**"), which shall include, without limitation, the assets listed on Section 1.01(c) of the Disclosure Schedules;

d. all of Seller's rights under warranties, indemnities, and all similar rights against third parties to the extent related to any Purchased Assets;

B. Excluded Assets. Buyer is not purchasing or acquiring, and Seller is not selling or assigning, any other assets or properties of Seller, and all such other assets and properties shall be excluded from the Purchased Assets (the "**Excluded Assets**"). Excluded Assets include the following assets and properties of Seller:

a. all cash and cash equivalents;
b. all accounts receivable held by Seller;
c. all Contracts other than the Assigned Contracts;
d. all assets, properties and rights used by Seller or its affiliates in its businesses that are not used or held for use in connection with the operation of the Business at the Existing Location; and
e. accrued expenses and debt of the Seller incurred in the operation of the Existing Location;
f. any right, title, or interest in or to the trademarks, service marks, or other intellectual property rights of Seller or any affiliate of Seller.

C. Assumed Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform, and discharge only those Liabilities arising under the Assigned Contracts, but only to the extent that such Liabilities are required to be performed after the Closing Date, were incurred in the ordinary course of business, and do not relate to any failure to perform, improper performance, warranty, or other breach, default, or violation by Seller on or prior to the Closing, any liabilities that arise in accordance with Section 3.06(a), (collectively, the "**Assumed Liabilities**"), and no other Liabilities. For purposes of this Agreement, "**Liabilities**" means liabilities, obligations, or commitments of any nature whatsoever, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise.

D. Purchase Price. The aggregate purchase price for the Purchased Assets is [AMOUNT OF PURCHASE PRICE] (the "**Purchase Price**"), plus the assumption of the Assumed Liabilities. Buyer shall pay the Purchase Price by cashier's check to Seller of immediately available funds. Seller's right to the Purchase Price is fully assignable by Seller.

E. Allocation of Purchase Price. Seller and Buyer agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown on the allocation schedule (the "**Allocation Schedule**"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended. Buyer and Seller shall file all returns, declarations, reports, information returns and statements, and other documents relating to taxes (including amended returns and claims for refund) ("**Tax Returns**") in a manner consistent with the Allocation Schedule. A draft of the Allocation Schedule shall be prepared by Buyer and delivered to Seller within 90 days following the Closing Date. If Seller notifies Buyer in writing that Seller objects to one or more items reflected in the Allocation Schedule, Seller and Buyer shall negotiate in good faith to resolve such dispute. Buyer and Seller shall file all Tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with the Allocation Schedule.

F. Third Party Consents. To the extent that Seller's rights under any Purchased Asset may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful. Seller shall use its reasonable best efforts to obtain any such required consent(s) as promptly as possible. If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by Law and the Purchased Asset, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder and shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in any other reasonable arrangement designed to provide such benefits to Buyer.

II. Closing

A. Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "**Closing**") shall take place remotely by exchange of documents and signatures (or their electronic counterparts), simultaneously with the execution and delivery of this Agreement, or at such other time or place or in such other manner as Seller and Buyer may mutually agree upon in writing. Closing shall occur as of 12:01 a.m. EST, on [DATE OF CLOSING], which is herein referred to as the "**Closing Date**."

B. Seller Closing Deliverables. At the Closing, Seller shall deliver to Buyer the following:

- **a.** a bill of sale (the "**Bill of Sale**") and duly executed by Seller, transferring the Tangible Personal Property included in the Purchased Assets to Buyer;
- **b.** an assignment and assumption of the Lease (the "**Lease Assignment**"), duly executed by Seller;
- **c.** an assignment and assumption of the Assigned Contracts other than the Lease, if any, in form and substance satisfactory to Buyer (the "**Assignment and Assumption Agreement**") and duly executed by Seller, effecting the assignment to and assumption by Buyer of Assumed Contracts other than the Lease;
- **d.** a franchise agreement for the operation of an Oola Shop, duly executed by Oola Bowls Franchising, LLC, a Pennsylvania limited liability company, as the "Franchisor" thereunder (the "**Franchise Agreement**");
- **e.** such other customary instruments of transfer or assumption, filings, or documents, in form and substance reasonably satisfactory to Buyer, as may

be required to give effect to the transactions contemplated by this Agreement, collectively (the "**Transaction Documents**").

C. Buyer Closing Deliverables. At the Closing, Buyer shall deliver to Seller the following:

a. the Purchase Price;
b. the Lease Assignment and, if applicable, the Assignment and Assumption Agreement, in each case duly executed by Buyer;
c. the Franchise Agreement, duly executed by Buyer; an
d. a resolution by the sole member of Buyer authorizing the execution, delivery, and performance of this Agreement, the Transaction Documents, the Franchise Agreement, and the consummation of the transactions contemplated hereby and thereby.

D. Closing Adjustments and Pro-rations. Each party shall have thirty (30) days from the date of Closing to submit a claim to the other party for a reimbursement of payments, expenses, charges, autopay or other sums incurred that are attributable to the other party, pursuant to the terms of this Agreement. Such claim shall be made in writing and shall include invoices, bills, receipts, or other proofs of payment.

III. Representations and Warranties of Seller

Seller represents and warrants to Buyer that the statements contained in this 0 are true and correct as of the date hereof.

A. Organization and Authority of Seller. Seller is a limited liability company/corporation duly organized, validly existing, and in good standing under the laws of the state of [STATE]. Seller has full power and authority to enter into this Agreement and the other Transaction Documents to which Seller is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any other Transaction Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of Seller. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

B. No Conflicts; Consents. The execution, delivery, and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of organization, operating agreement, or other organizational documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, license, or Governmental Order.

C. **Financial Statements.** Seller has provided Buyer with a profit and loss statement and sales records for the Existing Location for the period through [DATE]. All sales and other information set forth on such statements and in such records are true, complete, and correct and accurately reflect the results of operations for the Existing Location for the period reflected.

D. **Title to Purchased Assets.** Seller has good and valid title to all of the Purchased Assets, free and clear of Encumbrances.

E. **Condition and Sufficiency of Assets.** Each item of Tangible Personal Property is in operating condition and is adequate for the uses to which it is being put, and no item of Tangible Personal Property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The Purchased Assets are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property, and assets necessary to conduct the Business as currently conducted and as required to be conducted pursuant to the Franchise Agreement.

F. **Legal Proceedings; Governmental Orders.** Except as set forth in this Section, there are no claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, notices of violation, proceedings, litigation, citations, summons, subpoenas, or investigations of any nature, whether at law or in equity (collectively, "**Actions**") pending or, to Seller's knowledge, threatened against or by Seller: (a) relating to or affecting the Business, the Purchased Assets, or the Assumed Liabilities; or (b) that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement.

G. **Brokers.** No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

H. **Employment Matters.** All of Seller's employees at the Existing Location are at-will employees paid on an hourly basis, and no such employee receives or is entitled to receive any commission, bonus or other incentive-based compensation or other fringe benefits or to participate in any employer-provided or sponsored benefit plan or program.

IV. Representations and Warranties of Buyer

Buyer represents and warrants to Seller that the statements contained in this 0 are true and correct as of the date hereof.

A. **Organization and Authority of Buyer.** Buyer is a limited liability company/corporation duly organized, validly existing, and in good standing under the laws of [STATE]. Buyer has full power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite company action on the part of Buyer. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

B. No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of organization, operating agreement, or other organizational documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, license, or Governmental Order.

C. Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

D. Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened against or by Buyer that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

V. Covenants

A. Bulk Sales Laws. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer. Any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction which would not otherwise constitute Assumed Liabilities shall be treated as Excluded Liabilities.

B. Transfer Taxes. All sales, use, registration, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents, if any, shall be borne and paid by Seller when due. Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

C. Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

VI. Indemnification

A. Survival. All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

B. Indemnification by Seller. Subject to the other terms and conditions of this 0, Seller shall indemnify and defend each of Buyer and its Affiliates and their respective Representatives (collectively, the "**Buyer Indemnitees**") against, and shall hold each of them harmless from and against, any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees (collectively, "**Losses**"), incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, or with respect to:

a. any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);
b. any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto;
c. any Excluded Asset or any Excluded Liability; or
d. any Third Party Claim based upon, resulting from, or arising out of the business, operations, properties, assets, or obligations of Seller or any of its Affiliates (other than the Purchased Assets or Assumed Liabilities) conducted, existing, or arising on or prior to the Closing Date. For purposes of this Agreement, "**Third Party Claim**" means notice of the assertion or commencement of an Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing.

C. Indemnification by Buyer. Subject to the other terms and conditions of this 0, Buyer shall indemnify and defend each of Seller and its Affiliates and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, or with respect to:

a. any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

b. any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement;
c. any Assumed Liability; or
d. any Third Party Claim based upon, resulting from, or arising out of the business, operations, properties, assets, or obligations of Buyer or any of its Affiliates conducted, existing, or arising on or after to the Closing Date.

D. Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

E. Cumulative Remedies. The rights and remedies provided in this 0 are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

VII. Miscellaneous

A. Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

B. Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (c) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7B):

If to Seller:	[NAME OF SELLER] Attn: [NAME OF PRIMARY CONTACT] [ADDRESS]
with a copy to: *(which shall not constitute notice)*	[CONTACT INFORMATION FOR SELLER'S ATTORNEY]
If to Buyer:	[NAME OF BUYER] Attn: [NAME OF PRIMARY CONTACT] [ADDRESS]
with a copy to: *(which shall not constitute notice)*	[CONTACT INFORMATION FOR BUYER'S ATTORNEY]

C. Interpretation; Headings. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

D. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

E. Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

F. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party. Any purported assignment in violation of this Section shall be null and void. No assignment shall relieve the assigning party of any of its obligations hereunder.

G. Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

H. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the state of the Commonwealth of Pennsylvania without giving effect to any choice or conflict of law provision or rule (whether of Pennsylvania or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of Pennsylvania in each case located in Lancaster County, Pennsylvania and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (II) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

I. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

In Witness Whereof, the parties hereto have caused this Agreement to be executed as of the date first written above.

[NAME OF SELLER]

By: ______________________________

Name: ___________________________

Title: ____________________________

[NAME OF BUYER]

By: ______________________________

Name: ___________________________

Title: ____________________________

DISCLOSURE SCHEDULES

ATTACHMENT 2 TO CALL OPTION EXHIBIT

Examples of Call Option Price Calculation

Example 1. Your Adjusted EBITDA was $375,000 and your TTM Revenue was $1,500,000.

A. Accordingly, the multiple to be applied to your Adjusted EBITDA is 3.50x.

B. 3.50x multiplied by your Adjusted EBITDA of $375,000 results in a Call Option Price of $1,312,500.

Example 2. Your Adjusted EBITDA was $100,000 and your TTM Revenue was $1,000,000. You are the initial franchisee owner of the Call Option Oola Shop and you obtained an SBA loan in the amount of $500,000 to fund the acquisition and start-up costs of the Call Option Oola Shop, and the current amount required to pay off in full and discharge such loan is $425,000.

A. Since your TTM Revenue was $1,000,000, the multiple to be applied to your Adjusted EBITDA is 3.25x.

B. 3.25x multiplied by your Adjusted EBITDA of $100,000 is $325,000.

C. However, since your SBA loan balance is $425,000, the Call Option Price will be an amount that results in the cash paid at the Hard Close (net of any escrowed amounts) being no less than $425,000.

- For example, we may determine that there will be no escrow under the APA, meaning that the Call Option Price will be $425,000.

Example 3. You acquired the Call Option Oola Shop in a resale transaction for $1,500,000. Your Adjusted EBITDA was $150,000 and your TTM Revenue was $1,000,000 (representing a decrease in Adjusted EBITDA and TTM Revenue of approximately 50% since your acquisition of the Call Option Oola Shop). You obtained an SBA loan to fund the acquisition of the Call Option Oola Shop, and the current amount required to pay off in full and discharge such loan is $1,000,000.

A. Since your TTM Revenue was $1,000,000, the multiple to be applied to your Adjusted EBITDA is 3.25x.

B. 3.25x multiplied by your Adjusted EBITDA of $150,000 is $487,500.

C. However, since you paid $1,500,000 for the Call Option Oola Shop, the Call Option Price will be an amount that results in the cash paid at the Hard Close (net of any escrowed amounts) being no less than $1,500,000.

- For example, we may determine that there will be no escrow under the APA, meaning that the Call Option Price will be $1,500,000.

Example 4. Same facts as Example 1, but you disagree with our calculation of the Call Option Price, which was provided to you in a Call Option Price Notice delivered on August 15, 2026.

A. You would have until August 30, 2026 to deliver a Notice of Objection to us.

B. Assuming you deliver a Notice of Objection to us on August 25, 2026, we would negotiate in good faith during the immediately-succeeding fifteen (15) days (i.e., until September 9, 2026) to determine the Call Option Price.

C. If the Call Option Price cannot be agreed upon by us and the Option Parties by September 9, 2026, then you must select an Accounting Firm (subject to our approval, which will not be unreasonably withheld, conditioned, or delayed) within fifteen (15) days thereafter (i.e., by September 24, 2026).

D. The Accounting Firm must complete its determination of the Adjusted EBITDA and the Call Option Price within forty-five (45) days after September 9, 2026 (i.e., by October 24, 2026).

E. The Call Option Price determined by the Accounting Firm (resulting from its determination of Adjusted EBITDA and the application of the other provisions of Section 5(a) of the Call Option Exhibit) will be the Call Option Price. Therefore, if the Accounting Firm determines that the Adjusted EBITDA is $400,000, then the Call Option Price would be $1,400,000. Conversely, if the Accounting Firm determines that the Adjusted EBITDA is $350,000, then the Call Option Price would be $1,225,500, notwithstanding the fact that the Call Option Price would have been $1,312,500 under our initial calculation.

<u>Example 5</u>. Same facts as Example 1, but you own two other Oola Shops in addition to the Call Option Oola Shop. After receipt of the Option Exercise Notice with respect to the Call Option Oola Shop, you request (in the manner and by the deadline specified in the Option Exercise Notice) that we include in the Call Option process and purchase from you the other two Oola Shops that you own. We accept your request and agree to purchase all three Oola Shops that you own. The combined Adjusted EBITDA and TTM Revenue for all three Purchased Oola Shops were $900,000 and $4,500,000, respectively.

A. Accordingly, the multiple to be applied to your Adjusted EBITDA is 3.75x.

B. 3.75x multiplied by the three Purchased Shops' Adjusted EBITDA of $900,000 results in a Call Option Price of $3,375,000.

<u>Example 6</u>. Same facts as Example 5, but you disagree with our calculation of the Call Option Price, which was provided to you in a Call Option Price Notice delivered on August 15, 2026.

A. You would have until August 30, 2026 to deliver a Notice of Objection to us.

B. Assuming you deliver a Notice of Objection to us on August 25, 2026, we would negotiate in good faith during the immediately-succeeding fifteen (15) days (i.e., until September 9, 2026) to determine the Call Option Price.

C. If the Call Option Price cannot be agreed upon by us and the Option Parties by September 9, 2026, then you must select an Accounting Firm (subject to our approval, which will not be unreasonably withheld, conditioned, or delayed) within fifteen (15) days thereafter (i.e., by September 24, 2026).

D. The Accounting Firm must complete its determination of the Adjusted EBITDA of all three Purchased Shops included in the Call Option process—and the resulting Call Option Price for those three Purchased Shops—within forty-five (45) days after September 9, 2026 (i.e., by October 24, 2026).

E. The Call Option Price determined by the Accounting Firm (resulting from its determination of Adjusted EBITDA and the application of the other provisions of Section 5(a) of the Call Option Exhibit) will be the Call Option Price. Therefore, if the Accounting Firm determines that the Adjusted EBITDA of all three Purchased Shops is $950,000, then the Call Option Price would be $3,562,500. Conversely, if the Accounting Firm determines that the Adjusted EBITDA of all three Purchased Shops is $850,000, then the Call Option Price would be $3,187,500, notwithstanding the fact that the Call Option Price would have been $3,375,000 under our initial calculation.

EXHIBIT G

FINANCIAL STATEMENTS

Financial Statements

Oola Bowls Franchising, LLC

As of December 31, 2023 and 2022 and For the Year Ended December 31, 2023

Rainer & Company
A Professional Corporation
Certified Public Accountants
Business Consultants

Rainer & Company
A Professional Corporation
Certified Public Accountants
Business Consultants

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Rainer & Company
A Professional Corporation
Certified Public Accountants
Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Members
Oola Bowls Franchising, LLC

Opinion

We have audited the accompanying financial statements of Oola Bowls Franchising, LLC (a limited liability company) which comprise the balance sheet as of December 31, 2023, and the related statements of operations and members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Prior Period Financial Statements

The balance sheet of Oola Bowls Franchising, LLC as of December 31, 2022, was audited by other auditors whose report dated June 9, 2023 expressed an unmodified opinion on the balance sheet.

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, which raise substantial doubt about Oola Bowls Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

2 Campus Boulevard, Suite 220
Newtown Square, PA 19073-3270
Tel: 610-353-4610 ◆ Fax: 610-353-6948

119 North High Street
West Chester, PA 19380-3012
Tel: 610-738-4206 ◆ Fax: 610-738-3917

Rainer & Company
A Professional Corporation
Certified Public Accountants
Business Consultants

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

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

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

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

Rainer & Company

Rainer & Company

Newtown Square, PA
March 26, 2024

Rainer & Company
A Professional Corporation
Certified Public Accountants
Business Consultants

OOLA BOWLS FRANCHISING, LLC
Balance Sheets
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current:		
Cash and Cash Equivalents	$ 106,332	$ 64,989
Accounts Receivable	28,281	1,609
Advances to Affiliate	0	1,784
TOTAL ASSETS	$ 134,613	$ 68,382
LIABILITIES		
Current:		
Accounts Payable	$ 97,310	$ 25,000
Accrued Expenses	0	550
Brand Development Fund Payable	0	230
Deferred Franchise Fees - Current	31,850	17,600
TOTAL CURRENT LIABILITIES	129,160	43,380
Long-Term:		
Deferred Franchise Fees - Net of Current	47,167	23,142
TOTAL LIABILITIES	176,327	66,522
MEMBERS EQUITY (DEFICIT)		
Members' Equity (Deficit)	(41,714)	1,860
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	$ 134,613	$ 68,382

The accompanying notes are an integral part of these statements.

OOLA BOWLS FRANCHISING, LLC
Statement of Operations and Members' Deficit
For the Year Ended December 31, 2023

Revenue:	
Franchise Fee Income	$ 30,775
Royalty Fees	108,191
Brand Development Fund Income	18,620
TOTAL REVENUE	157,586
Expenses:	
Management Fees	115,045
Professional Fees	48,907
Advertising	4,800
Office Expenses	1,600
TOTAL EXPENSES	170,352
NET LOSS	(12,766)
Members' Equity - Beginning of Year	1,860
Distributions	(30,808)
MEMBERS' DEFICIT - END OF YEAR	$ (41,714)

OOLA BOWLS FRANCHISING, LLC

Statement of Cash Flows

For the Year Ended December 31, 2023

Cash Flows From Operating Activities:		
Net Loss	$	(12,766)
Adjustments to Reconcile Net Loss to		
Net Cash Provided by Operating Activities:		
Provision for Expected Credit Losses		193
Increase in:		
Accounts Receivable		(26,865)
Increase (Decrease) in:		
Accounts Payable		72,310
Accrued Expenses and Other Current Liabilities		(780)
Deferred Franchise Fees		38,275
NET CASH PROVIDED BY OPERATING ACTIVITIES		70,367
Cash Flows From Investing Activities:		
Repayment of Advances to Affiliate		1,784
Cash Flows From Financing Activities:		
Members' Distributions		(30,808)
NET INCREASE IN CASH AND CASH EQUIVALENTS		41,343
Cash and Cash Equivalents - Beginning		64,989
CASH AND CASH EQUIVALENTS - ENDING	$	106,332

OOLA BOWLS FRANCHISING, LLC
Notes to Financial Statements
As of December 31, 2023 and 2022 and
For the Year Ended December 31, 2023

NOTE 1 - Nature of Business

Oola Bowls Franchising, LLC (the "Company") was formed on December 17, 2020, as a Pennsylvania limited liability company to sell franchises pursuant to a non-exclusive, royalty-free, non-transferable license agreement dated January 1, 2021, between the Company and Oola Bowls, LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Oola Bowls" name and operate an acai bowl and smoothie business providing a nutritious healthy alternative to traditional dining. The Company began operations in March 2022 and did not incur any expenses prior.

The Company is a limited liability company and, therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

Franchised Outlets - The following data represents the Company's franchised outlets as of December 31, 2023:

Franchises sold	7
Franchises purchased	0
Franchised outlets in operation	3
Affiliated by common ownership outlets in operation	6

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising - Advertising costs are expensed as incurred.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

Concentrations of Credit Risk - The Company maintains cash balances at a financial institution located in Pennsylvania. Accounts at the institution are insured by the Federal Deposit Insurance Corporation. In the normal course of business, the Company may have deposits that exceed insured balances.

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Accounts Receivable - Beginning January 1, 2023, accounts receivable is stated at its estimated collectible amounts and comprise amounts billed and currently due from franchisees. Collections from franchisees are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The Company also considers any specific franchisee collection issues. Since the Company's accounts receivable are largely similar, the Company evaluates its allowance for credit losses as one portfolio segment. At origination, the Company evaluates credit risk based on a variety of credit quality factors including past transaction history with franchisee, franchisee financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On a continuing basis, data for each franchisee is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses. The Company calculates the allowance for credit losses by applying a specific loss rate percentage based on past due status. The loss rate is 5.0% for receivables more than ninety days past due. Actual write-offs are charged against the allowance.

The allowance for credit losses was $193 as of December 31, 2023. There was no allowance for credit losses as of January 1, 2023. The allowance for credit losses increased $193 for the year ended December 31, 2023.

Prior to January 1, 2023, accounts receivable was recorded net of an allowance for expected losses. The allowance was estimated from past transaction history and projection of trends. There was no allowance for doubtful accounts as of December 31, 2022.

Revenue and Cost Recognition - The Company applies Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Additionally, the Company applies Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02").

The Company derives substantially all its revenue from franchise agreements and the related franchise fees, royalty fees, and brand development fund fees. The Company has seven active franchise agreements and three franchised outlets in operation as of December 31, 2023.

Franchise Fees and Royalties

Contract consideration from franchisees will consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based brand development fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The initial franchise fees and any up-front multi-unit fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and sales-based brand development fund fees become payable when sales occur, and are billed on a monthly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

OOLA BOWLS FRANCHISING, LLC
Notes to Financial Statements
As of December 31, 2023 and 2022 and
For the Year Ended December 31, 2023

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Franchise Fees and Royalties (Continued)

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include site selection, training and other such activities commonly referred to collectively as "preopening activities." Pre-opening activities consistent with those under ASU 2021-02 will be recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific, are recognized when those performance obligations are satisfied. Consideration allocated to preopening activities included under ASU 2021-02 are recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties, which represent sales-based royalties that are related entirely to the use of the Company's intellectual property, are recognized as franchisee sales occur and the royalty is deemed collectible.

Brand Development Fund

The Company maintains a brand development fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on the percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognizes the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. The balance of the Brand Development Fund was $16,226 as of December 31, 2023.

OOLA BOWLS FRANCHISING, LLC
Notes to Financial Statements
As of December 31, 2023 and 2022 and
For the Year Ended December 31, 2023

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Other Revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental Costs of Obtaining a Contract

The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement. To date the Company has not entered into any commission arrangements.

Income Taxes - As a limited liability Company, the Company is treated as a partnership for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon.

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors. Generally, federal, state, and local authorities may examine the Company's tax returns for three years from the filing date and the current and prior three years remain subject to examination as of December 31, 2023.

Variable Interest Entities - In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities,* which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company has elected to adopt and apply the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that Oola Bowls, LLC, the related party as described in Note 5, meets the conditions under the standard, and accordingly, it is not required to include the accounts of Oola Bowls, LLC in the Company's financial statements. The total assets of Oola Bowls, LLC as of December 31, 2023, were $860,494. The total liabilities of Oola Bowls, LLC as of December 31, 2023, were $473,158.

Subsequent Events - The Company has evaluated subsequent events through March 26, 2024, which represents the date the financial statements were available to be issued.

NOTE 3 - New Accounting Guidance Implementation

Credit Losses - In June 2016, the FASB issued Accounting Standards Update No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), which changes the impairment model for most financial assets and certain other instruments from an incurred loss approach to a new expected credit loss methodology. On January 1, 2023, the Company adopted ASU 2016-13 using the modified retrospective method. No cumulative effect adjustment to members' equity as of January 1, 2023, was necessary. The adoption of ASU 2016-13 did not materially impact the statements of operations and members' deficit, and cash flows for the year ended December 31, 2023.

OOLA BOWLS FRANCHISING, LLC
Notes to Financial Statements
As of December 31, 2023 and 2022 and
For the Year Ended December 31, 2023

NOTE 4 - Disaggregated Revenue

In January 2021, FASB issued ASU 2021-02, which permits franchisors that are not public business entities, to elect a practical expedient to account for pre-opening services provided to its franchisees as distinct from the franchise license if the pre-opening services are consistent with those included in ASU 2021-02. This accounting policy election would recognize, when satisfied, all those pre-opening services as a single performance obligation. This standard is effective in interim and annual periods beginning after December 15, 2020, with early adoption permitted. The standard allows for modified retrospective transition to the date ASC 606 was adopted. The Company adopted the practical expedient effective January 1, 2022.

The Company's active franchisees are currently located in Pennsylvania. The economic risks of the Company's revenues are dependent on the strength of the United States economy, and the Company's ability to collect on its contracts. The Company's disaggregate revenue from contracts with customers by timing of revenue recognition and by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred Franchise Fees" in the accompanying balance sheets.

	2023	2022
Deferred Franchise Fees - January 1, 2023, and 2022	$ 40,742	$ 0
Franchise Fee Revenue Recognized During the Year	(30,775)	(21,258)
Additions for Initial Franchise Fees Received	61,000	62,000
Additions for Initial Franchise Fees Receivable	8,050	0
Deferred Franchise Fees - December 31, 2023 and 2022	$ 79,017	$ 40,742

At December 31, 2023, deferred franchise fees expected to be recognized as revenue over the remaining term of the associated franchise agreements are as follows:

Year ending December 31	Amount
2024	$ 31,850
2025	5,600
2026	5,600
2027	5,600
2028	5,600
Thereafter	24,767
Total	$ 79,017

Deferred franchise fees for the years ended December 31, 2023 and 2022, consisted of the following:

	2023	2022
Franchise Units Not Yet Opened	$ 55,875	$ 29,577
Opened Franchise Units	23,142	11,165
Total	$ 79,017	$ 40,742

OOLA BOWLS FRANCHISING, LLC
Notes to Financial Statements
As of December 31, 2023 and 2022 and
For the Year Ended December 31, 2023

NOTE 5 - Related Party Transactions

On January 1, 2021, the Company entered into a non-exclusive, royalty-free and non-transferable license agreement with the Oola Bowls, LLC, a related party through common ownership, for the use of the registered name "Oola Bowls" (the "license agreement"). Pursuant to the license agreement, the Company received the right to use the "Oola Bowls" marks along with the right to earn franchise fees, royalties and other fees from franchisees pursuant to the related franchise agreements.

Beginning in 2023, the Company purchases management services from Oola Bowls, LLC. For the year ended December 31, 2023, the management services were $115,045. The balance outstanding relating to those services was $67,311 as of December 31, 2023.

As of December 31, 2022, $1,784 was due from Oola Bowls, LLC, in the form of non-interest-bearing advances. These advances have since been repaid, and there were no advances due from Oola Bowls, LLC as of December 31, 2023.

NOTE 6 - Concentrations of Revenue and Accounts Receivable

For the year ended December 31, 2023, the Company recognized revenue from three franchisee outlets in operation totaling $150,903, representing 96% of revenue. Accounts Receivable related to these three franchisee outlets totaled $25,724, representing 91% of receivables.

OOLA BOWLS FRANCHISING, LLC
(A Limited Liability Company)

FINANCIAL STATEMENT

DECEMBER 31, 2022

OOLA BOWLS FRANCHISING, LLC
(A Limited Liability Company)
DECEMBER 31, 2022

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Citrin Cooperman & Company, LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members
Oola Bowls Franchising, LLC

Opinion

We have audited the accompanying financial statement of Oola Bowls Franchising, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2022, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Oola Bowls Franchising, LLC as of December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Oola Bowls Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oola Bowls Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Citrin Cooperman & Company, LLP

CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
June 9, 2023

OOLA BOWLS FRANCHISING, LLC
(A Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2022

ASSETS

Current assets:		
Cash	$	64,989
Accounts receivable		1,609
Due from related party		1,784
TOTAL ASSETS	$	68,382

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:		
Accounts payable	$	25,000
Accrued expenses		550
Brand development fund payable		230
Deferred franchise fees - current		17,600
Total current liabilities		43,380
Long-term liabilities:		
Deferred franchise fees - net of current		23,142
Commitments and contingencies (Notes 4 and 5)		
Members' equity		1,860
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	68,382

See accompanying notes to financial statement.

OOLA BOWLS FRANCHISING, LLC
(A Limited Liability Company)
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2022

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

Oola Bowls Franchising, LLC (the "Company") was formed on December 17, 2020, as a Pennsylvania limited liability company to sell franchises pursuant to a non-exclusive, royalty-free, non-transferable license agreement dated January 1, 2021, between the Company and Oola Bowls, LLC (the "Licensor"), an entity related to the Company by common ownership and control. Pursuant to the Company's standard franchise agreement, franchisees will operate a business under the "Oola Bowls" name and operate an acai bowl and smoothie business providing a nutritious healthy alternative to traditional dining. The Company began operations in March 2022 and did not incur any expenses prior.

The Company is a limited liability company and, therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

Franchised outlets

The following data represents the Company's franchised outlets as of December 31, 2022:

Franchises sold	3
Franchises purchased	-
Franchised outlets in operation	1
Affiliated by common ownership outlets in operation	6
Terminated contract	1

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
The accompanying financial statement has been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates
The preparation of financial statement in conformity with U.S. GAAP 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 statement, and the reported amounts of revenues and expenses during the reporting period. These estimates may be adjusted due to changes in future economic, industry or other financial conditions. Actual results could differ from those estimates. The Company evaluates its estimates and assumptions on an ongoing basis.

Concentrations of credit risks

Cash
Financial instruments that potentially expose the Company to concentration of credit risk consist primarily of cash. The Company's cash is placed with a major financial institution and at times may be in excess of the Federal Deposit Insurance Corporation insurance limits. Management believes that this investment policy limits the Company's exposure to credit risk.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of credit risks (continued)

Accounts receivable
Accounts receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of the franchisee to make required payments. Management considers the following factors when determining the collectibility of specific franchisee accounts: franchisee creditworthiness, past transaction history with the franchisee, and current economic industry trends. If the financial conditions of the Company's franchisee were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Company has made reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company had no allowances for doubtful accounts at December 31, 2022. The balance in accounts receivable at December 31, 2022, amounted to $1,609.

Revenue and cost recognition
The Company applies Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("Topic 606"). Additionally, the Company applies Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-02, *Franchisors - Revenue from Contracts with Customers* (Subtopic 952-606) ("ASU 2021-02").

The Company derives substantially all its revenue from franchise agreements and the franchise royalties and fees and brand development fund fees. The Company has two active franchise agreements as of December 31, 2022, and as of the date this financial statement was available to be issued.

Franchise fees and royalties
Contract consideration from franchisees will consist primarily of initial or renewal franchise fees, sales-based royalties, sales-based brand development fund fees, and transfer fees payable by a franchisee for the transfer of their franchise unit to another franchisee. The initial franchise fees and any up-front multi-unit fees are nonrefundable and collectable when the underlying franchise agreement is signed by the franchisee. Sales-based royalties and sales-based brand development fund fees are payable on a weekly basis. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees and royalties (continued)
The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under ASU 2021-02 will be recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are expected to be highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 are recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Brand development fund
The Company maintains a brand development fund which is established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Brand development fund fees are collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the brand development fund and therefore recognize the revenues and expenses related to the brand development fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the brand development fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the brand development fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur.

When brand development fund receipts exceed the related brand development fund expenses in a reporting period, brand development costs are accrued up to the amount of brand development fund revenues recognized.

Other revenues
The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

Incremental costs of obtaining a contract
The Company will capitalize direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement. To date the Company has not entered into any commission arrangements.

Income taxes
As a limited liability company, the Company is treated as a partnership for federal and state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statement, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon.

Uncertain tax positions
The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2022.

The Company files income tax returns in the U.S. federal jurisdiction and in various state jurisdictions.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Variable interest entities

In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. This standard is effective for fiscal years ending after December 15, 2020, with early adoption permitted. The Company has elected to adopt and apply the alternative accounting and disclosures for certain variable interest entities provided to private companies pursuant to U.S. GAAP. The Company has determined that the related party, as described in Note 4, meet the conditions under the standard, and accordingly, it is not required to include the accounts of related party in the Company's financial statement.

Recently issued but not yet effective accounting pronouncements

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), and subsequent amendment to the initial guidance: ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses* (collectively, "Topic 326"). Topic 326 introduces a new forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade receivables. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information, and reasonable and supportable forecasts and will generally result in earlier recognition of allowances for losses. For non-public companies, Topic 326 will be effective for annual and interim reporting periods beginning after December 15, 2022. The guidance is to be applied using the modified retrospective approach. The Company is in the process of assessing the impact of Topic 326 on its financial statement.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through June 9, 2023, the date on which this financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosure in the financial statement.

NOTE 3. DISAGGREGATED REVENUES

In January 2021, FASB issued ASU 2021-02, which permits franchisors that are not public business entities, to elect a practical expedient to account for pre-opening services provided to its franchisees as distinct from the franchise license if the pre-opening services are consistent with those included in ASU 2021-02. This accounting policy election would recognize, when satisfied, all those pre-opening services as a single performance obligation. This standard is effective in interim and annual periods beginning after December 15, 2020, with early adoption permitted. The standard allows for modified retrospective transition to the date ASC 606 was adopted. The Company adopted the practical expedient effective January 1, 2022.

NOTE 3. DISAGGREGATED REVENUES (CONTINUED)

The Company derives its revenues from franchisees currently located in the Central United States. The economic risks of the Company's revenues are dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company's disaggregate revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Contract balances

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred franchise fees" in the accompanying balance sheet.

Deferred franchise fees - January 1	$	-
Revenue recognized during the year		(21,258)
Additions for initial franchise fees received		62,000
Deferred franchise fees - December 31	$	40,742

At December 31, 2022, deferred franchise fees are expected to be recognized as revenue over the remaining term of the associated franchise agreement as follows:

Year ending December 31:		Amount
2023	$	17,600
2024		2,600
2025		2,600
2026		2,600
2027		2,600
Thereafter		12,742
Total	$	40,742

Deferred franchise fees for the year ended December 31, 2022, consisted of the following:

Franchise units not yet opened	$	29,577
Opened franchise units		11,165
Total	$	40,742

NOTE 4. RELATED-PARTY TRANSACTIONS

License agreement

On January 1, 2021, the Company entered into a non-exclusive, royalty-free and non-transferable license agreement with the Licensor for the use of the registered name "Oola Bowls" (the "license agreement"). Pursuant to the license agreement, the Company received the right to use the "Oola Bowls" marks along with the right to earn franchise fees, royalties and other fees from franchisees pursuant to the related franchise agreements.

Related-party transactions

In the ordinary course of business, the Company periodically advances funds to and receives funds from a party related to the Company by common ownership and control. No interest is charged on these advances. Advances to and from the related party are unsecured and have no specific repayment terms. Management expects such balances to be settled within the next 12 months of the balance sheet date. At December 31, 2022, the balance due from the affiliate amounted to $1,784, which is included in "Due from related party" in the accompanying balance sheet.

NOTE 5. BRAND DEVELOPMENT FUND

Pursuant to the structured form of the franchising arrangement, the Company collects brand development fund fees of up to 1% of franchisees' reported gross sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. Funds collected and not yet expended on the franchisees' behalf totaled $230 as of December 31, 2022, which is included in "Brand development fund payable" in the accompanying balance sheet.

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.

Management Report

Oola Bowls Franchising LLC
For the period ended March 31, 2024

Prepared on
April 27, 2024

Table of Contents

Monthly Statement:Balance Sheet

As of March 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
Fulton Boss 1520	63,372.88
Fulton Boss 5446	20,474.64
Total Bank Accounts	**83,847.52**
Accounts Receivable	
Accounts Receivable (A/R)	6,316.15
Total Accounts Receivable	**6,316.15**
Other Current Assets	
Accrued Revenue	6,050.00
Allowance for Credit Losses	-193.00
Marketing Receivables	0.00
Royalty Receivables	0.00
Total Other Current Assets	**5,857.00**
Total Current Assets	**96,020.67**
TOTAL ASSETS	**$96,020.67**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	137,801.45
Total Accounts Payable	**137,801.45**
Credit Cards	
Fulton credit card (1392)	2,634.77
Total Credit Cards	**2,634.77**
Other Current Liabilities	
Accrued Expenses	30,000.00
Deferred Franchise Fees	31,850.00
Deferred Franchise Fees - Net of Current	47,166.67
Marketing Fund Payable	0.00
Oola Bowls Payable	0.00
Security Deposits	0.00
Total Other Current Liabilities	**109,016.67**
Total Current Liabilities	**249,452.89**
Total Liabilities	**249,452.89**
Equity	
Opening Balance Equity	0.00
Partner 1 Draws	-6,000.00

	Total
Partner 2 Draws	-6,000.00
Retained Earnings	-41,715.18
Net Income	-99,717.04
Total Equity	**-153,432.22**
TOTAL LIABILITIES AND EQUITY	**$96,020.67**

Monthly Statement:Year-to-Date Profit and Loss

January - March, 2024

	Total
INCOME	
Franchise Income	3,000.00
Marketing Fund Income	4,065.85
Royalties Income	28,398.93
Total Income	**35,464.78**
GROSS PROFIT	**35,464.78**
EXPENSES	
Advertising and Promotion	828.00
Automobile Expense	
Fuel	310.24
Repairs	581.85
Total Automobile Expense	**892.09**
Bank Service Charges	48.99
Dues and Subscriptions	2,455.94
Management Fees Expense	64,350.00
Meals and Entertainment	1,448.88
Office Supplies	534.42
Professional Fees	
Accounting	7,875.00
Consulting	3,662.13
Legal	50,302.00
Total Professional Fees	**61,839.13**
Repairs and Maintenance	2,735.37
Travel	74.00
Total Expenses	**135,206.82**
NET OPERATING INCOME	**-99,742.04**
OTHER INCOME	
Other Miscellaneous Income	25.00
Total Other Income	**25.00**
NET OTHER INCOME	**25.00**
NET INCOME	**$ -99,717.04**

Monthly Statement:Profit and Loss

March 2024

	Total
INCOME	
Franchise Income	1,000.00
Marketing Fund Income	2,636.66
Royalties Income	19,823.81
Total Income	**23,460.47**
GROSS PROFIT	**23,460.47**
EXPENSES	
Automobile Expense	
Fuel	113.04
Total Automobile Expense	**113.04**
Bank Service Charges	48.99
Dues and Subscriptions	1,885.69
Management Fees Expense	64,350.00
Meals and Entertainment	1,420.98
Office Supplies	98.00
Professional Fees	
Accounting	7,875.00
Consulting	2,974.00
Legal	49,296.00
Total Professional Fees	**60,145.00**
Repairs and Maintenance	2,503.23
Travel	16.00
Total Expenses	**130,580.93**
NET OPERATING INCOME	**-107,120.46**
OTHER INCOME	
Other Miscellaneous Income	25.00
Total Other Income	**25.00**
NET OTHER INCOME	**25.00**
NET INCOME	**$ -107,095.46**

Monthly Statement:Statement of Cash Flows

January - March, 2024

	Total
OPERATING ACTIVITIES	
Net Income	-99,717.04
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	4,374.59
Accrued Revenue	11,733.12
Accounts Payable (A/P)	70,490.09
Fulton credit card (1392)	2,634.77
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	**89,232.57**
Net cash provided by operating activities	**-10,484.47**
FINANCING ACTIVITIES	
Opening Balance Equity	0.00
Partner 1 Draws	9,404.14
Partner 2 Draws	9,404.14
Retained Earnings	-30,808.28
Net cash provided by financing activities	**-12,000.00**
NET CASH INCREASE FOR PERIOD	**-22,484.47**
Cash at beginning of period	106,331.99
CASH AT END OF PERIOD	**$83,847.52**

Monthly Statement:A/R Aging Summary

As of April 27, 2024

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
It Makes Cents LLC			-278.24		839.42	561.18
Oola Bowls - Lebanon	15,000.00					15,000.00
TOTAL	**$15,000.00**	**$0.00**	**$ -278.24**	**$0.00**	**$839.42**	**$15,561.18**

Monthly Statement:A/P Aging Summary

As of April 27, 2024

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total
Oola Bowls		80,560.33	49,407.12	1,006.00	6,828.00	137,801.45
TOTAL	$0.00	$80,560.33	$49,407.12	$1,006.00	$6,828.00	$137,801.45

EXHIBIT H

BRAND STANDARDS MANUAL TABLE OF CONTENTS

EXHIBIT I

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Open:

Franchisee	Contact	Address	Phone Number
It Makes Cents LLC	Keith Lehner and Randy Simmons	3465 Old Philadelphia Pike Unit 7 Intercourse, PA 17534	717-278-2601 or 484-467-4962
It Makes Cents LLC	Keith Lehner and Randy Simmons	35 S Willowdale Drive Lancaster, PA 17602	717-278-2601 or 484-467-4962
Andrews Acai LLC	Andrew Charles Agee	111 Springwood Drive Suite 100 Lebanon, PA 17042	717-813-1536
Andrews Acai LLC	Andrew Charles Agee	Within Hershey Park (transferred from affiliate-owned to franchisee in February 2024)	717-813-1536

Signed but not Open (as of December 31, 2023):

Franchisee	Contact	Address	Phone Number
Andrews Acai LLC	Andrew Charles Agee	Within Hershey Fresh Market (signed in February 2024)	717-813-1536
Berry Sweet Acai LLC	Javar Colon	To be determined	(610) 406-3516
Katie Lynn Souders Robert Anthony Souders	Katie Lynn Souders Robert Anthony Souders	To be determined	(484) 955-0294
Mark Strine	Mark Strine	To be determined	717-578-7162

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

Franchisee	Contact	Phone Number	
Shaffer Management LLC	Scott Shaffer	717-314-3285	Terminated prior to opening in January 2023
SA Walker Corporation	Aleesha Michelle Harris	(717) 333-9891	Terminated prior to opening in February 2024

EXHIBIT J

STATE ADDENDA TO DISCLOSURE DOCUMENT

The following are additional disclosures for the Franchise Disclosure Document of Oola Bowls Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgment signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF MARYLAND

1. The following language is added to Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.

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

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. (The form of general release that we currently intend to use in connection with transfers and renewals is attached as Exhibit E to this Franchise Disclosure Document.)

3. The following language is added to the end of the “Summary” sections of Item 17(h), entitled “Cause” defined – non-curable defaults:

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

4. The “Summary” sections of Item 17(v), entitled Choice of forum are amended to add the following:

, and to the extent required by the Maryland Franchise Registration and Disclosure Law, you may bring an action in Maryland.

5. The following language is added to the end of Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR	**FRANCHISEE**
OOLA BOWLS FRANCHISING, LLC	**[FRANCHISEE ENTITY]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________

ADDITIONAL DISCLOSURES 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 D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND 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 DEVELOPER OR 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), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor approval of transfer:

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), entitled 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), entitled Choice of forum, and Item 17(w), entitled 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.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the Rev. April 2, 2024time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF VIRGINIA

1. The following language is added to the end of the "Summary" section of Item 17.h., entitled "Cause" defined – non-curable defaults:

   Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the MUDA or 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.

2. The following language is added to the end of Item 5, entitled Deferred Initial Payments of Franchisee to the Franchisor:

   The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

EXHIBIT K

STATE ADDENDA TO AGREEMENTS

STATE SPECIFIC ADDENDUM TO THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT FOR THE STATE OF MARYLAND

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Oola Bowls Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 108 Foxshire Drive, Lancaster, PA 17601 (**"Franchisor"**), and ______________________ (**"Franchisee"**) with its principal place of business as set forth in the Franchise Agreement. In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1.
Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.

2. **RELEASES.** The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. The following is added to the end of Sections 3.2, 15.2 and 18.10 of the Franchise Agreement:

; provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **ARBITRATION**. The following language is added to the end of Section 17.1 of the Franchise Agreement:

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. **FORUM FOR LITIGATION**. The following language is added to the end of Section 17.5 of the Franchise Agreement:

Notwithstanding the foregoing, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS**. The following language is added to the end of Section 19 of the Franchise Agreement:

Such representations 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.

7. **LIMITATIONS OF CLAIMS**. The following is added to the end of Section 17.4 of the Franchise Agreement:

, except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

8. **ACKNOWLEDGMENT**. Section 19 of the Franchise Agreement is deleted.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR	**FRANCHISEE**
OOLA BOWLS FRANCHISING, LLC	**[FRANCHISEE ENTITY]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________

STATE SPECIFIC ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Oola Bowls Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 108 Foxshire Drive, Lancaster, PA 17601 (**"Franchisor"**), and ______________________ (**"Franchisee"**) with its principal place of business as set forth in the Franchise Agreement. In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

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 RESOURCES 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 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 THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

   Except as provided above, the following applies 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 that is 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 ten years 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 a 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; this proviso intends that the nonwaiver 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 a 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 the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR	**FRANCHISEE**

OOLA BOWLS FRANCHISING, LLC	**[FRANCHISEE ENTITY]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________

STATE SPECIFIC ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF VIRGINIA

THIS ADDENDUM (this "**Addendum**") is made and entered into by and between Oola Bowls Franchising, LLC, a Pennsylvania limited liability company with its principal place of business at 108 Foxshire Drive, Lancaster, PA 17601 (**"Franchisor"**), and ______________________ (**"Franchisee"**) with its principal place of business as set forth in the Franchise Agreement. In this Addendum, **"we," "us,"** and **"our"** refers to Franchisor. **"You"** and **"your"** refers to Franchisee.

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated , 20 (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because the Franchise Agreement contemplates or requires the franchisee to establish or maintain a place of business within Virginia.

2. **RELEASES**. The following language is added to the end of Section 4.1 of the Franchise Agreement, [Section 4.1 of the Oola Bowls Franchising, LLC Satellite Addendum and Sections 1(b) and 2 of the Multi-Unit Development Agreement]:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

FRANCHISOR	**FRANCHISEE**
OOLA BOWLS FRANCHISING, LLC	**[FRANCHISEE ENTITY]**
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Pending
Michigan	Not Registered
Minnesota	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	July 15, 2024
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Oola Bowls Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Oola Bowls Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Joseph E. Jacobs-Ferderbar Brock Snider Phil Dobinson	108 Foxshire Drive, Lancaster, PA 17601	716-818-5336

Issuance Date: April 23, 2024

I received a disclosure document dated April 23, 2024 that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement and Collateral Assignment of Lease
E. Form of General Release
F. Call Option Details
G. Financial Statements
H. Brand Standards Manual Table of Contents
I. Current and Former Franchisees
J. State Addenda to Disclosure Document
K. State Addenda to Agreements

Signature: ________________________________
Print Name: ______________________________
Date Received: ____________________________

Keep This Copy For Your Records

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Signature: ______________________________
Print Name: ______________________________
Date Received: ____________________________

Return This Copy To Us
Oola Bowls Franchising, LLC