FRANCHISE DISCLOSURE DOCUMENT

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Department of
Business Oversig

SCOOTER'S COFFEE, LLC
(a Nebraska limited liability company)
6824 J Street
Omaha, Nebraska 68117
Phone (402) 614-1723
Fax (402) 614-3702
www scooterscoffee com

Scooter's Coffee, LLC, is offering franchises for the right to operate a quick service coffee store, offering drive-through, carry-out and in-store seating service of espresso drinks, smoothies, baked goods, and other items under the service mark "SCOOTER'S COFFEE"

The total investment necessary to begin operation of a SCOOTER'S COFFEE franchise is between $98,000 and $514,000, depending on the type of store to be operated This includes $114,500 to $129,000 that must be paid to the franchisor or an affiliate

The total investment necessary to begin operation under a Multiple Store Development Agreement is between $103,000 and $544,000, depending on the type and number of stores opened under the Multiple Store Development Agreement This includes $119,000 to $159,000 that must be paid to the franchisor or an affiliate

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any 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 to you To discuss the availability of disclosures in other formats, contact Jennifer Chaney at Scooter's Coffee, LLC, 6824 J Street, Omaha, NE 68117, Telephone (402) 614-1723

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 24, 2017

STATE COVER PAGE

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

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

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT AND MULTIPLE STORE DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION AND ARBITRATION ONLY IN THE STATE OF NEBRASKA OUT-OF-STATE LITIGATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE WITH US IN THE STATE OF NEBRASKA THAN IN YOUR OWN STATE

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

3 THE FRANCHISE AGREEMENT DOES NOT PROVIDE FOR AN EXCLUSIVE TERRITORY

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

Effective Date See the next page for state effective dates

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich Comp Laws §§445 1501 – 445 1546 applies, the terms of this Addendum apply

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

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

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

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

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

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances This section does not require a renewal provision

(f) A provision requiring that arbitration or litigation be conducted outside this state This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise Good cause shall include, but is not limited to

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c)

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

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

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn Franchise, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117

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RECEIPTS

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

The first Scooter's store was created in 1998 by Don Eckles and his wife, Linda As detailed below, Scooter's franchises were first offered in 2002 Throughout Scooter's history, Don Eckles has been involved at the executive level in the development and operation of the Scooter's franchise system

The franchisor is Scooter's Coffee, LLC and is referred to in this Disclosure Document as "Scooter's," "we," "us," "our" or "SCH " We refer to the person or entity who buys the franchise as "you" throughout this Disclosure Document If you are a corporation, partnership or a limited liability company, "you" also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company

Franchisor

We are a Nebraska limited liability company organized on September 15, 2010 We do business as "Scooter's Coffee " Our principal business address is 6824 J Street, Omaha, Nebraska 68117 In addition to offering SCOOTER'S COFFEE Store franchises under this Disclosure Document, we also offer area representative franchises under a separate disclosure document We have offered SCOOTER'S COFFEE Store franchises since October 2010, and area representative franchises since September 2012, although, as described further below, our predecessors have offered similar coffee store franchises (under the same or similar trademarks) since 2002

We previously offered franchises under the "SCOOTER'S COFFEEHOUSE" and "SCOOTER'S COFFEE & YOGURT" marks, but no longer offer franchises under these marks We have not operated and do not currently operate SCOOTER'S COFFEE Stores, but as described further, our affiliates and predecessors have operated SCOOTER'S COFFEE Stores since 1998 We have not offered franchises in other lines of business Our agents for service of process are disclosed in Exhibit A

Predecessors

Our immediate predecessor is Scooters Coffeehouse, Inc ("SCI"), a Nebraska corporation formed on February 3, 2005 The principal business address for SCI was 10665 Bedford Avenue, Omaha, Nebraska 68134 SCI offered franchises under the "SCOOTERS JAVA EXPRESS" and "SCOOTERS COFFEEHOUSE" marks from 2005 to October 2010 In October 2010, our parent, Boundless Enterprises, LLC, purchased the franchise system from SCI and formed Scooter's Coffee, LLC, to hold and operate the franchise system SCI no longer offers franchises SCI previously operated "SCOOTERS JAVA EXPRESS" stores and "SCOOTER'S COFFEEHOUSE" stores From February 2005 through October 2010, SCI offered "SCOOTER'S COFFEEHOUSE" franchises which were similar to the type of business you will operate SCI also offered "SCOOTER'S COFFEEHOUSE" area representative franchises from February 2005 through October 2010 SCI has not offered franchises in any other line of business

Prior to SCI's ownership of the Scooter's system, Scooters Java Express, Inc ("SJE"), which was formed in Nebraska on May 23, 2002, offered franchises under the mark "SCOOTERS JAVA EXPRESS " SJE offered "SCOOTERS JAVA EXPRESS" franchises from 2002 to 2005 The principal business address for SJE was 10665 Bedford Avenue, Suite 201, Omaha, Nebraska 68134 From May 2002 through February 2005, SJE offered franchises similar to the type of business you will operate SJE has not offered franchises in any other line of business

Parents and Affiliates

Our parent company is Boundless Enterprises, LLC, ("Parent" or "Boundless Enterprises"), a Nebraska limited liability company formed on November 28, 2006 Parent, as a former franchisee, operated SCOOTER'S COFFEE Stores from November 2006 to October 2010 While Parent has not directly offered franchises of the type of business you will operate or of any other line of business, its wholly-owned subsidiary, Scooter's Coffee, LLC, currently offers unit and area representative franchises

We have two affiliate companies that are also wholly owned by Parent that must be disclosed in this Disclosure Document Harvest Roasting, LLC ("Harvest Roasting") and Boundless Operations, LLC ("Boundless Operations") Harvest Roasting and Boundless Operations were each organized on September 15, 2010 Prior to that, they were a part of, or divisions of, Parent Harvest Roasting provides coffee beans, syrups and sauces, sandwiches, burritos, baked goods (in areas where Harvest Roasting delivers such goods), smoothie mixes, paper goods (e g , hot and cold cups, lids, napkins, etc) and other items bearing any SCOOTER'S COFFEE logo or trademark, and certain equipment (e g , espresso machines, brewers, grinders, ovens) to SCOOTER'S COFFEE franchisees and other licensees of ours Boundless Operations does not provide any goods or services to franchisees Boundless Operations owns and operates franchised SCOOTER'S COFFEE Stores and has done so since October 2010 Neither Harvest Roasting nor Boundless Operations has offered franchises in this or any other line of business

We have no other predecessors, parents or affiliates that must be disclosed in this Disclosure Document Boundless Operations, Harvest Roasting and Parent all share our principal business address

The Franchises

We offer franchises for the establishment and operation of three different types of quick-service coffee stores, specializing in drive-through, carry-out and in-store-seating service of espresso drinks, smoothies, baked goods, and other items ("SCOOTER'S COFFEE Stores" or "Stores") under the form of Franchise Agreement attached as Exhibit B ("Franchise Agreement") Below are the three types of Stores we currently offer

> **Type 1 Stores – Drive-Thru Kiosk** – There is no seating in Type 1 Stores and sales are primarily of drinks served through drive-up windows Type 1 Stores are designed to be low overhead, small footprint, and are usually located in a parking lot near other retail shopping Type 1 Stores provide convenience for the mobile customer Business is stronger in the morning hours and weekdays

Type 2 Stores – Drive-Thru Coffeehouse – Type 2 Stores are generally located in a strip center as "end cap space", or are free-standing buildings with inside seating Type 2 Stores offer drive-up window service to mobile customers, plus some inside seating to accommodate walk-in customers

Type 3 Stores – Non-Traditional – Type 3 Stores are carts or small spaces located in specialty locations (e g airports, hospitals, stadiums, train stations, malls, military bases, amusement parks and business atriums), but are also located within other businesses such as large office buildings

All Stores operate under the service mark "SCOOTER'S COFFEE" and related trademarks (together, the "Marks") and our marketing plan and proprietary business methods ("System") Under the terms of the Franchise Agreement, franchisees are loaned a franchise operations manual (the "Operations Manual") All or a portion of the support as may be made available to franchisees under the terms of the Franchise Agreement may be available from us or from one of our Area Representatives (as defined below)

We also offer multi-unit franchises under a Multiple Store Development Agreement (the "MSD Agreement"), a copy of which is attached as Exhibit C If you sign an MSD Agreement, you agree to open a certain number of Stores according to an agreed upon development schedule You will sign a separate franchise agreement for each Store you develop The minimum number of Stores for an MSD Agreement is two

In addition to franchises of individual Stores and multi-unit franchises, we offer area representative franchises ("Area Representative Franchises"), in which an area representative ("Area Representative") acts as our sales representative within a defined geographic area ("Marketing Area") to solicit and identify prospective franchisees, to assist them in locating and securing sites for SCOOTER'S COFFEE Stores within that area, and to provide additional support before, during and after the Store opens While our Area Representatives will be involved in recruiting prospective franchisees, our Area Representatives do not have management responsibility relating to the sale or operation of unit franchises If your SCOOTER'S COFFEE Store is located inside an Area Representative's Marketing Area, certain of our responsibilities to you may be assigned to, and provided by, the Area Representative Area Representative Franchises are offered under a separate Franchise Disclosure Document

Other than offering SCOOTER'S COFFEE franchises, operating the SCOOTER'S COFFEE System, and offering Area Representative Franchises, we have no other business activities

Market and Competition

The market for espresso-based drinks is well-established and highly competitive You will compete with national as well as local coffee stores, operating under well-known and recognizable service marks, as well as with independent restaurants and other businesses that offer similar products In your market, you may be competing with other stores, restaurants and a variety of retail outlets selling coffee, espresso-based beverages, smoothies, pastries, and other items, as well as quick-service restaurant (QSR) facilities that offer coffee, espresso-based beverages, smoothies, or pastries

Regulations

We are not aware of any state or federal laws specifically regulating the operation of a SCOOTER'S COFFEE Store, although you are required to comply with all local, state and federal health and sanitation laws, including all regulations related to menu labeling and the sale and labeling of food products The federal Food and Drug Administration ("FDA"), the Consumer Product Safety Commission ("CPSC") and the Federal Trade Commission ("FTC") regulate consumer advertising and the storage, offer and sale of many of the food products in your Store Franchisees must also comply with all local, state and federal laws of a more general nature which affect the operation of the Store, including employment, worker's compensation, insurance, corporate, taxing, licensing, and similar laws and regulations You should familiarize yourself with these laws

ITEM 2 BUSINESS EXPERIENCE

Chairman and Co-Founder Donald W Eckles

Don Eckles founded the "Scooter's" business in 1998 Since April 2016 Mr Eckles has served as Chairman Mr Eckles served as the President and CEO of Boundless Enterprises, LLC, in Omaha, Nebraska from its inception in November 2006 until April 2016 He has also served as CEO of Scooter's Coffee, LLC, and affiliated companies (all in Omaha, Nebraska) since their inception in September 2010, and as President of Scooter's Coffee, LLC, from September 2010 to April 2015

Chief Executive Officer Todd Graeve

Todd Graeve serves as Chief Executive Officer of Boundless Enterprises, LLC, Scooter's Coffee, LLC, Boundless Operations, LLC, and Harvest Roasting, LLC, in Omaha, Nebraska, positions he has held since April 2016 Mr Graeve served as Chief Financial Officer for Boundless Enterprises in Omaha, Nebraska from April 2010 to April 2016, and for Scooter's Coffee, LLC, Harvest Roasting, LLC, and Boundless Operations, LLC from September 2010 to April 2016 Mr Graeve was the CFO for Boundless Real Estate Holdings, LLC, in Omaha, Nebraska, from September 2010 through June 2013 From March 2014 to the present, Mr Graeve has been a member of Freedom Enterprises, LLC, which is a current SCOOTER'S COFFEE franchisee located in Kansas City, Missouri

President and Chief Operating Officer Rob Streett

Rob Streett serves as President and Chief Operating Officer of Scooter's Coffee, LLC, Harvest Roasting, LLC and Boundless Operations, LLC, in Omaha, Nebraska, a position he has held since April 2016 Mr Streett served as Senior Vice President of Business Development for Scooter's Coffee, LLC, from March 2015 to April 2016 From May 2014 to October 2014, Mr Streett was Chief Development Officer for First Services Networks in Scottsdale, Arizona From March 2012 to December 2013, Mr Streett was Chief Development Officer with Ice House America in Jacksonville, Florida

Chief Financial Officer Chad Hartnett

Chad Hartnett is the Chief Financial Officer for Boundless Enterprises, LLC, in Omaha, Nebraska, a position he has held since February 2016 From 1999 through January 2016, Mr Hartnett worked at HDR, Inc , located in Omaha, Nebraska, serving as Manager of Corporate Accounting from 1998 to 2000, Manager of Mergers and Acquisitions from 2000 to 2005, Corporate Controller from 2005 to 2007, Vice President and Corporate Controller from 2008 to 2009, and Treasurer, Vice President, and Corporate Controller from 2009 to January 29, 2016

Chief Legal Officer Dave Anderson

Dave Anderson has served as Chief Legal Officer for Boundless Enterprises, LLC, Scooter's Coffee, LLC, Boundless Operations, LLC and Harvest Roasting, LLC since February 2017 From April 2016 to February 2017, Mr Anderson served as the General Counsel for Boundless Enterprises, LLC, Scooter's Coffee, LLC, Boundless Operations, LLC, and Harvest Roasting, LLC, in Omaha, Nebraska From January 2016 through April 2016, Mr Anderson was an attorney with Carlson & Burnett, LLP, in Omaha, Nebraska Mr Anderson served as Senior Vice President, General Counsel and Secretary of Ballantyne Strong, Inc , in Omaha, Nebraska from November 2012 to November 2015 From September 1985 to September 2012, Mr Anderson was a shareholder in McGrath North Mullin & Kratz, PC LLO, an Omaha, Nebraska law firm

Vice President of Franchise Development Jennifer Chaney

Jennifer Chaney is the Vice President of Franchise Development for Scooter's Coffee, LLC, in Omaha, Nebraska, a position she has held since April 2016 She has also served as Senior Director of Development for Scooter's Coffee, a position she held from December 2015 to April 2016 From May 2012 to December 2015, she was our National Director of Franchise Sales From November 2002 to May 2012, Ms Chaney was a real estate agent for CBS Home Real Estate Co , in Omaha, Nebraska

Senior Director of Operations Heather Koob

Heather Koob is the Senior Director of Operations for Scooter's Coffee, LLC, in Omaha, Nebraska, a position she has held since October 2015 From July 2013 to October 2015, Ms Koob was our Field Service Manager From 1998 through July 2013, Ms Koob worked for Regis Corporation as a District Leader in Omaha, Nebraska

Director of Construction Management Janelle Kenny

Janelle Kenny is the Director of Construction Management for Scooter's Coffee, LLC in Omaha, Nebraska, a position she has held since October 2016 Ms Kenny was a Construction Project Manager for Nebraska Furniture Mart in Omaha, Nebraska from January 2006 to October 2016 Prior to that, she held other special projects positions at Nebraska Furniture Mart since 2001

Director of Marketing and Communications Jamie Hamburg

Jamie Hamburg is the Director of Marketing and Communications for Scooter's Coffee, LLC, in Omaha, Nebraska, a position she has held since April 2014 Ms Hamburg was a Senior Associate for Emanate PR and Marketing in New York, New York from October 2010 through January 2014

Director of Real Estate Scott Babcock

Scott Babcock serves as our Director of Real Estate, a position he has held since February 2017 Mr Babcock was the Managing Broker with CBS Commercial in Omaha, Nebraska, from March 2011 to February 2017

Franchise Development Manager Kelly Crummer

Kelly Crummer serves as our Franchise Development Manager, a position she has held since June 2016 From February 2015 to June 2016, Ms Crummer was the Business Outreach Specialist at the Heider College of Business at Creighton University in Omaha, Nebraska From August 2011 to February 2015 she was employed by Gemini Fund Services, LLC in Omaha, Nebraska, as the Marketing Coordinator

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item

ITEM 5 INITIAL FEES

Franchise Agreement

Initial Franchise Fee

Under the Franchise Agreement, you must pay us a nonrefundable initial franchise fee of $40,000 for the first Franchise Agreement that you sign ("Initial Franchise Fee"), regardless of the type of Store you purchase The Initial Franchise Fee is not refundable for any reason

You will pay us our then-current initial franchise fee if you sign any additional franchise agreements We will, however, refund to you $15,000 of the initial franchise fee you paid to us if (i) you sign the franchise agreement and open the Store within 24 months of the opening of your most recently opened Store, and (ii) you are in compliance with any other agreements between you (or your affiliates) and us (or our affiliates) You must sign our then-current form of franchise agreement for each Store you operate, and you must pay us our then-current initial franchise fee in a lump sum when each franchise agreement is signed The initial franchise fee you pay to us is not refundable for any other reason

Initial Grand Opening Support and Marketing Fee

Under the Franchise Agreement, you must pay us an initial grand opening support and marketing fee of $10,000 at the time the Franchise Agreement is signed (the "Initial Grand Opening Support and Marketing Fee") We (or an Area Representative) may match up to 50% of your Initial Grand Opening Support and Marketing Fee (for example, $5,000) We will use the Initial Grand Opening Support and Marketing Fee to provide such grand opening support, assistance and marketing of your Store that we deem appropriate The Initial Grand Opening Support and Marketing Fee is not refundable for any reason

Initial Inventory and Equipment

You must purchase your initial inventory and certain Store equipment from our affiliate, Harvest Roasting (and other preferred vendors), before opening your Store We estimate that the range of the costs of your opening inventory (including menu items, ingredients, paper goods, uniforms and branded products and merchandise for retail sale) and certain Store equipment (including, espresso machine, countertops, storage, coffee brewers, coffee grinders, smoothie machines, oven, refrigerators, ice makers, sinks, shelving, menu board) will be $64,500 to $79,000 The amount paid for your opening inventory and equipment is not refundable for any reason

MSD Agreement

On execution of the MSD Agreement, you will pay us a $5,000 development fee ("Development Fee") for each Store (excluding your first Store) that you agree to develop under the MSD Agreement For example, if you agree to develop 5 Stores under the MSD Agreement, you will pay a Development Fee of $20,000 under the MSD Agreement We do not count your first Store when calculating the Development Fee as you will sign your first Franchise Agreement and pay us the Initial Franchise Fee for your first Store when you sign the MSD Agreement There is no maximum number of Stores that we would allow in an MSD Agreement, but we reserve the right to limit the number in any given MSD Agreement based on market conditions, our strategic goals, and the wherewithal of the Developer, among other factors We will apply the Development Fee you pay for each Store under the MSD Agreement toward the Initial Franchise Fees for the respective Store to be developed after the first one We do not refund Development Fee, once paid, under any circumstances

ITEM 6 OTHER FEES

Franchise Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Royalty	6% of Gross Sales	Paid by electronic funds transfer every Tuesday for the preceding Reporting Period See Note 2	Gross Sales includes all revenue from the Store, including sales made away from the Store premises Gross Sales does not include sales taxes or customer discounts See Note 2

Type of Fee[1]	Amount	Due Date	Remarks
Advertising Contribution	2% of Gross Sales	Paid by electronic funds transfer every Tuesday for the preceding Reporting Period See Note 2	The Advertising Contribution will be deposited into the Advertising Fund Our affiliate-owned Stores will contribute the same as franchisee owned Stores We may establish regional advertising cooperatives and may reallocate all or a portion of this fee to regional advertising Currently, Advertising Contributions are paid by electronic transfer of funds See Note 2
Local Advertising Commitment	None currently provided that we may require you to spend up to 2% of Gross Sales for local advertising	If required you would spend the specified amount each calendar quarter	We must give 60 days written notice to impose such a requirement
Regional Advertising Cooperatives	None currently May vary with recurring contributions up to 3% of Gross Sales	Usually on a monthly basis, based on prior month s Gross Sales, or as directed by co-op	As of the date of this Disclosure Document, there are no established cooperatives Affiliate Stores contribute on the same basis as franchised Stores Regional Advertising Cooperative Fee may be offset by any Local Advertising Commitment, if imposed Maximum advertising expense of 5% [3]
Cost of Advertising and Promotional Materials	Varies depending on the type of promotion and the type of materials used in the promotion	Due upon invoice	If you purchase advertising or marketing materials from us we may, at our option, pass on the cost of these materials to you
Inventory Purchases from Franchisor or Affiliate	Varies according to sales volume	Paid by electronic funds transfer on the date of invoice	Purchases are from our affiliate, Harvest Roasting
Interest and Late Charges	$25 late charge, plus the lesser of 1½ % per month, or highest rate of interest allowed by law	Late fee automatically assessed, interest on demand	Begins to accrue the day after payments are due
Transfer Fee	$10,000	Before the transfer is effective	If you transfer your rights to an existing franchisee, we may waive or reduce this fee
Successor Renewal Fee	The greater of $10,000 or 25% of the then current Initial Franchise Fee for the first Store	When you sign the then current Franchise Agreement	Payable if you opt for and qualify for a successor franchise at the end of the initial term
Inspection and Audit Fee	Interest on past due amount at 18%, or highest rate of interest allowed by law plus costs of audit	15 days after receipt of our notice to you of any underpayment	Costs of audit payable only if you understate your Gross Sales by 3% or more, do not submit reports to us or do not cooperate in performance of the inspection and audit Interest payable if you understate your Gross Sales by any amount
Alternative Supplier Approval Fee	You must reimburse us for the actual cost of any testing and the reasonable cost of our investigation	Upon approval or disapproval	You must make a written request for approval We will respond within thirty days after receiving your written request
Costs and Attorneys Fees	Will vary under the circumstances	As incurred	Payable only if you do not comply with the Franchise Agreement

Type of Fee[1]	Amount	Due Date	Remarks
Indemnification	Will vary depending on nature of the claim involved	As incurred	You must reimburse us if we are held liable for claims arising from your Store s operations
Insurance Premiums	Will vary depending on your location and insurer	As incurred	If you fail to obtain or maintain required insurance, we may obtain insurance on your behalf and seek from you reimbursement for insurance including late charges
Relocation Fees	Minimum of $500 up to a maximum of $1 000 depending on expenses we incur	$500 due when you submit request to relocate and remainder, if any, due before opening	Payable only if you relocate your Store during the term of your Franchise Agreement You pay all costs of relocating
Additional Training Fee	$500 per person	Before training begins	Training for two people is included in the Initial Franchise Fee This fee is payable only if you choose to train more than two people or if you send a new Designated Manager to training See Note 4
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Store is located, as well as any assessment on fees and any other income we receive from you	Payable, when applicable, by electronic funds transfer	Only imposed if state collects these taxes or assessments from us

[1] Except as otherwise noted fees are imposed by and paid to us All fees are nonrefundable All fees are uniformly imposed except as otherwise indicated

[2] Before opening, you must sign and deliver to us and your bank all documents necessary to permit us to electronically debit your bank account for each week s Royalty and Advertising Contribution payments and other payments that you make to us or to our affiliates Reporting Period means the period of Saturday to Friday (unless we designate otherwise) If you fail to report Gross Sales, we may debit your bank account by an amount equal to the amount transferred from your account for the last Reporting Period for which a report of Gross Sales of the Store was provided to us, together with a late fee on that amount We will credit any overpayment against the next week s amount due Any deficiency is debited from your account If you fail to pay us or one of our affiliates in a timely manner we may debit your bank account for any amounts due us

[3] A franchisee s maximum advertising expense will be 5% of Gross Sales, which includes any Advertising Contribution Local Advertising Commitment, and Regional Coop Expenditure

[4] You are responsible for all expenses associated with travel, meals and lodging while you attend initial training sessions All of these expenses are paid to third parties These expenses will vary according to where you stay, where you eat and how far you have to travel

ITEM 7 ESTIMATED INITIAL INVESTMENT

Type 1 Store (Drive-Thru Kiosk)

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (See explanatory note 1)	$40,000	Cash	At signing of Franchise Agreement	Us
Initial Grand Opening Support and Marketing Fee	$10,000	Cash	At signing of Franchise Agreement	Us
Free Standing Building Leasehold improvements (See explanatory note 2)	$208,000 to $320 000 (not including the purchase of land)	As negotiated	Before opening	Other suppliers
Equipment fixtures and furniture (See explanatory note 3)	$57,500 to $70,000	As negotiated	Before opening	Harvest Roasting and other suppliers
Signs	$15,000 to $20 000	As negotiated	Before opening	Other suppliers
Point of sale system and software (See explanatory note 4)	$2,500 to $4,000	As negotiated	Before opening	Other suppliers
Deposits and licenses (See explanatory note 5)	$2,500 to $7,000	As negotiated	Before opening	Other suppliers
Initial training travel and living expenses (See explanatory note 6)	$2,000 to $4,000	Cash	Before opening	Other suppliers
Opening inventory and supplies (See explanatory note 7)	$7 000 to $9,000	Cash	Before opening	Harvest Roasting and other suppliers
Additional funds — 3 months (See explanatory note 8)	$10,000 to $30,000	Cash	As incurred	Other suppliers and your employees
Total (See explanatory note 9)	**$354,500 to $514,000**			

Explanatory Notes

Note 1 Initial Franchise Fee If you sign an MSD Agreement and this is your second or subsequent Store, we apply the nonrefundable $5 000 Development Fee paid for the second and each subsequent Store to be developed toward the Initial Franchise Fee for each Store

Note 2 Free Standing Building Leasehold Improvements Typically, a Type 1 Store will have 450 square feet The total investment depends on a number of factors, including utility access, outside finish materials and local code requirements The leasehold improvements that you will typically make include modular or stick-built building, interior remodeling, floor covering, painting, HVAC, lighting electrical, plumbing design utilities, water and other improvements The estimate provided in the table above includes estimated architectural fees and structural and civil engineering fees and costs Although we may supply you with standardized blueprints for a Store, you are responsible for preparing all required blueprints to suit the shape and dimensions of the Franchised Location You may receive an allowance from the landlord to finish the interior or build the building or you may receive a rent credit to cover a portion of the same You will need to factor this into your cost analysis If you purchase property (or land) for the Store your investment obligations will be significantly higher, and will depend on the location of

the land We do not recommend that you purchase the land for a Type 1 Store We do not typically invest in the land for a SCOOTER S COFFEE Store We are unable to estimate these costs due to the significant variances based on location and market conditions

Note 3 Equipment, Fixtures and Furniture This item includes the estimated costs to obtain and install the merchandising systems, espresso machine, coffee brewers, coffee grinders, smoothie machines oven refrigerators, ice makers sinks furniture;and shelving menu board, etc

Note 4 Point of Sale System and Software This item includes the estimated costs to purchase and license a computerized point-of-sale system (POS System) and Internet access None of these payments are refundable once paid All of these costs are paid to third party suppliers

Note 5 Deposits and Licenses Security deposits, if applicable to your Store, range from one to two months rent, utility deposits range from a nominal amount to approximately $500 and business licenses range from approximately $200 to $500 a year Each or any of these items may exceed the stated range depending on your location

Note 6 Initial Training (Travel and Living Expenses) Your travel and living expenses when you attend our initial training program in Nebraska vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program The high range estimate covers expenses for four people attending our four-week training session in Nebraska and/or one of our certified training stores

Note 7 Opening Inventory and Supplies You must open with and maintain an adequate inventory of menu items, ingredients, paper goods, uniforms and branded products and merchandise for retail sale You will be required to purchase several of these items from our Preferred Suppliers (as defined in Item 8) We anticipate that all of your initial purchases will be from Harvest Roasting or a vendor recommended by Harvesting Roasting

Note 8 Additional Funds This estimates other pre operational expenses, which we have not separately listed above, as well as additional funds necessary for the first three months of your business operations These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business Your costs depend on factors such as the extent to which you follow our methods and procedures, your management skill experience and business acumen, local economic conditions the local market for our products and services, the prevailing wage rate, competition, and the sales level reached during this initial period This item includes a variety of expenses and working capital items during your start-up phase such as debt service legal costs (for lease review and other costs), accounting fees, rent, insurance premiums employee salaries, and other miscellaneous costs However, this item excludes your salary

Note 9 Basis for Estimates, Financing We relied on our affiliate s and predecessors experience in coffee service businesses of the past 19 years when preparing these figures You should review these figures carefully with a business advisor before making any decision to purchase a franchise These figures are estimates only and we cannot guarantee that you will not have additional expense in starting or operating your Store We do not offer financing either directly or indirectly for any part of the initial investment The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness other security and collateral you may have and policies of lenders

Type 2 Store (Drive-Thru Coffee House)

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (See explanatory note 1)	$40 000	Cash	At signing of Franchise Agreement	Us

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Grand Opening Support and Marketing Fee	$10 000	Cash	At signing of Franchise Agreement	Us
Leasehold improvements (See explanatory note 2)	$158,000 to $262,000 (not including the purchase of a building or land)	As negotiated	Before opening	Other suppliers
Equipment, fixtures and furniture (See explanatory note 3)	$90 000 to $110,000	As negotiated	Before opening	Harvest Roasting and Other suppliers
Signs	$12,000 to $20,000	As negotiated	Before opening	Other suppliers
Point-of-sale system and software (See explanatory note 4)	$2,500 to $4,000	As negotiated	Before opening	Other suppliers
Deposits and licenses (See explanatory note 5)	$2,500 to $7,000	As negotiated	Before opening	Other suppliers
Initial training travel and living expenses (See explanatory note 6)	$2 000 to $4 000	As negotiated	Before opening	Other suppliers
Opening inventory and supplies (See explanatory note 7)	$7,000 to $9 000	Cash	Before opening	Harvest Roasting and other suppliers
Additional funds — 3 months (See explanatory note 8)	$10 000 to $30,000	Cash	As incurred	Other suppliers and your employees
Total (See explanatory note 9)	**$334,000 to $496,000**			

Explanatory Notes

Note 1 Initial Franchise Fee If you sign an MSD Agreement and this is your second or subsequent Store, we apply the nonrefundable $5 000 Development Fee paid for the second and each subsequent Store to the Initial Franchise Fee

Note 2 Leasehold Improvements Typically, a Type 2 Store will range from approximately 1,600 to 1,800 square feet of retail space and have inside seating for up to 25 50 customers Your costs for leasehold improvements for the Store will depend in large part on the square footage of your Store the extent of the remodeling required and the location and overall costs in the market in which you are developing the Store The estimates in the above chart assume that the premises of the Type 2 Store exists and the estimated leasehold improvements reflect the build out of space that is ready to occupy based on the recommended size of Store, although your actual costs may vary under or over the estimates The leasehold improvements that you will typically make to a built but unimproved location include interior remodeling, floor covering, painting HVAC, millwork, artwork lighting, electrical, plumbing, design and other improvements Although we may supply you with standardized blueprints for a Store, you are responsible for preparing all required blueprints to suit the shape and dimensions of the Franchised Location You may receive an allowance from the landlord to finish the interior or build the building, or you may receive a rent credit to cover a portion of the same You will need to factor this into your cost analysis If you purchase property or a building, or both for the Store your investment obligation will be significantly higher and will depend on the location and size of the land and building We do not recommend that you purchase the land or building for a Type 2 Store We do not typically invest in the land and building for a SCOOTER S COFFEE Store We are unable to estimate these costs due to the significant variances based on location and market conditions The estimates above relate to a Store located in a strip center Construction costs for a free standing Store are not included and may be materially different than the estimates set forth above

Note 3 Equipment, Fixtures and Furniture This item includes the estimated costs to obtain and install the merchandising systems, espresso machine coffee brewers, coffee grinders, smoothie machines, cooling units, oven, refrigerators, ice makers, sinks, furniture and shelving, etc Fixtures include counters for order taking, counters for order pick up and display cases This estimate includes furniture including tables, chairs and a menu board This estimate also includes office equipment, including a telephone system and access to satellite radio

Note 4 Point-of-Sale System and Software This item includes the estimated costs to purchase and license a computerized POS System and Internet access None of these payments are refundable once paid All of these costs are paid to third party suppliers

Note 5 Deposits and Licenses Security deposits, if applicable to your Store, range from one to two months rent, utility deposits range from a nominal amount to approximately $500 and business licenses range from approximately $200 to $500 a year Each or any of these items may exceed the stated range depending on your location

Note 6 Initial Training (Travel and Living Expenses) Your travel and living expenses when you attend our initial training program in Nebraska vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program The high range estimate covers expenses for four people attending our four-week training session in Nebraska and/or one of our certified training stores

Note 7 Opening Inventory and Supplies You must open with and maintain an adequate inventory of menu items, ingredients paper goods uniforms and branded products and merchandise for retail sale You will be required to purchase several of these items from our Preferred Suppliers We anticipate that all of your initial purchases will be from Harvest Roasting or a vendor recommended by Harvest Roasting

Note 8 Additional Funds This estimates other pre-operational expenses, which we have not separately listed above, as well as additional funds necessary for the first three months of your business operations These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business Your costs depend on factors such as the extent to which you follow our methods and procedures, your management skill experience and business acumen local economic conditions, the local market for our products and services, the prevailing wage rate, competition, and the sales level reached during this initial period This item includes a variety of expenses and working capital items during your start-up phase such as debt service legal costs (for lease review and other costs), accounting fees rent, insurance premiums, employee salaries and other miscellaneous costs However, this item excludes your salary

Note 9 Basis for Estimates, Financing We relied on our affiliate s and predecessor s experience in coffee service businesses of the past 19 years when preparing these figures These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your Store You should review these figures carefully with a business advisor before making any decision to purchase a franchise We do not offer financing either directly or indirectly for any part of the initial investment The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders

Type 3 Store (Non-Traditional)

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (See explanatory note 1)	$40,000	Cash	At signing of Franchise Agreement	Us
Initial Grand Opening Support and Marketing Fee	$10,000	Cash	At signing of Franchise Agreement	Us

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Leasehold improvements (See explanatory note 2)	$1,000 To $100,000 (not including the purchase of a building or land)	As negotiated	Before opening	Other suppliers
Equipment, fixtures and furniture (See explanatory note 3)	$25 000 To $47 500	As negotiated	Before opening	Harvest Roasting and Other suppliers
Signs	$1,000 To $10,000	As negotiated	Before opening	Other suppliers
Point of sale system and software (See explanatory note 4)	$3,500 To $5 000	As negotiated	Before opening	Other suppliers
Deposits and licenses (See explanatory note 5)	$2,500 To $7,500	As negotiated	Before opening	Other suppliers
Initial training travel and living expenses (See explanatory note 6)	$2,000 To $4 000	Cash	Before opening	Other suppliers
Opening inventory and supplies (See explanatory note 7)	$3 000 To $7,000	Cash	Before opening	Harvest Roasting and other suppliers
Additional funds — 3 months (See explanatory note 8)	$10,000 To $30 000	Cash	As incurred	Other suppliers and your employees
Total (See explanatory notes 9 and 10)	**$98,000 To $261,000**			

Explanatory Notes

Note 1 Initial Franchise Fee If you sign an MSD Agreement and this is your second or subsequent Store, we apply the nonrefundable $5 000 Development Fee paid for the second and each subsequent Store to the Initial Franchise Fee

Note 2 Leasehold Improvements The estimates here can vary greatly They can be as small as one cart operation to as large as a Type 1 or Type 2 Store described above If the Store includes multiple locations (such as an airport) the cost estimates would be multiplied by this number Your costs for leasehold improvements for the Store will depend in large part on the square footage of your Store, the extent of the remodeling required, and the location and overall costs in the market in which you are developing the Store The estimates in the above chart assume that the premises at which the Type 3 Store will be located exists and the estimated leasehold improvements reflect the build-out of space that is ready to occupy based on the recommended size of Store, although your actual costs may vary under or over the estimates The leasehold improvements that you will typically make to a built, but unimproved location include interior remodeling, floor covering painting HVAC, millwork artwork, lighting, electrical plumbing, design and other improvements Although we may supply you with standardized blueprints for a Store, you are responsible for having prepared all required blueprints to suit the shape and dimensions of the Franchised Location You may receive an allowance from the landlord to finish the interior or build the building, or you may receive a rent credit to cover a portion of the same You will need to factor this into your cost analysis If you purchase property or a building, or both, for the Store, your investment obligation will be significantly higher, and will depend on the location and size of the land and building We do not recommend that you purchase the land or building for a Type 3 Store We do not typically invest in the land and building for a SCOOTER S COFFEE Store We are unable to estimate these costs due to the significant variances based on location and market conditions

Note 3 Equipment, Fixtures and Furniture The estimates here can vary depending on the size of the Store If the Store includes multiple locations (such as an airport) the cost estimates would be multiplied by this number This item includes the estimated costs to obtain and install the merchandising systems espresso machine coffee brewers coffee grinders, refrigerators ice makers sinks and shelving Fixtures include counters for order taking counters

for order pick-up and display cases This estimate includes furniture, including tables, chairs and a menu board This estimate also includes office equipment, a telephone system and access to satellite radio

Note 4 Point of Sale System and Software If the Store includes multiple locations (such as an airport) the cost estimates would be multiplied by this number This item includes the estimated costs to purchase and license a POS System and Internet access None of these payments are refundable once paid All of these costs are paid to third party suppliers

Note 5 Deposits and Licenses Security deposits, if applicable to your Store, range from one to two months rent, utility deposits range from a nominal amount to approximately $500 and business licenses range from approximately $200 to $500 a year Each or any of these items may exceed the stated range, depending on your location

Note 6 Initial Training (Travel and Living Expenses) Your travel and living expenses when you attend our initial training program in Nebraska vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program The high range estimate covers expenses for four people attending our four week training session in Nebraska and/or one of our certified training stores

Note 7 Opening Inventory and Supplies You must open with and maintain an adequate inventory of menu items, ingredients, paper goods uniforms and branded products and merchandise for retail sale You will be required to purchase several of these items from our Preferred Suppliers We anticipate that all of your initial purchases will be from Harvest Roasting or a vendor recommended by Harvest Roasting

Note 8 Additional Funds This estimates other pre operational expenses, which we have not separately listed above, as well as additional funds necessary for the first three months of your business operations These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business Your costs depend on factors such as the extent to which you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our products and services, the prevailing wage rate competition, and the sales level reached during this initial period This item includes a variety of expenses and working capital items during your start up phase such as debt service, legal costs (for lease review and other costs), accounting fees rent, insurance premiums employee salaries, and other miscellaneous costs However this item excludes your salary

Note 9 Basis for Estimates, Financing We relied on our affiliate s and predecessors experience in coffee service businesses of the past 19 years when preparing these figures You should review these figures carefully with a business advisor before making any decision to purchase a franchise These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting or operating your Store We do not offer financing either directly or indirectly for any part of the initial investment The availability and terms of financing from independent third parties depends on factors such as the availability of financing generally your creditworthiness other security and collateral you may have and policies of lenders

MSD Agreement

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Development Fee (See explanatory note 1)	$5 000 To $30 000	Cash	At signing of MSD Agreement	Us
Initial Store Development (See explanatory note 2)	$98,000 To $514,000	As negotiated	As incurred	Us, other suppliers and your employees
Total	**$108,000 To $544,000**			

Explanatory Notes

Note 1 Development Fee We offer an MSD Agreement to prospective franchisees seeking to open multiple stores If you sign a MSD Agreement to open multiple Stores, you must pay us a nonrefundable $5,000 Development Fee for each Store to be developed under the MSD Agreement after the initial Store We apply $5,000 of the Development Fee toward the Initial Franchise Fee for each respective Store to be developed under the MSD Agreement after the initial Store The Development Fee indicated in the chart above assumes on the low end a two-Store MSD Agreement and the high end a seven-Store MSD Agreement There is no maximum number of Stores that may be included in an MSD Agreement Rather in determining the number of Stores to be included, we consider market conditions, our strategic development plans, and your wherewithal

Note 2 Initial Store Development Your initial investment for your first Store will depend on the type of Store you develop and will be based on the estimated investments disclosed in this Item 7 You should be aware that your initial investment for your second and subsequent Stores likely will be higher than the above estimates for your first Store due to inflation and other economic factors that vary over time

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure a uniform image and uniform quality of products and services throughout the SCOOTER'S COFFEE System, you must establish and operate your SCOOTER'S COFFEE Store in compliance with the Franchise Agreement and our required standards and specifications We will provide you with our Operations Manual that will contain these standards, which we may modify from time to time As we determine trends in the marketplace or develop new marketing techniques, technologies, products and services, we anticipate that we will develop and modify our standards as we consider appropriate and useful, and notify you through amendments to the Operations Manual

Proprietary Items

Your Store will feature and offer for sale a variety of coffee drinks, smoothies, baked goods and other food and beverage items that we require and approve Before opening your Store, you must purchase from us, our affiliates, or another supplier we designate (a "Preferred Supplier"), specific items of goods and equipment, including espresso machines, coffee brewing machines, coffee grinders, blenders, refrigerators, coffee beans, flavoring syrups and sauces, smoothie mixes, baked items, sandwiches, burritos, mugs, cups, T-shirts, caps and other branded merchandise and proprietary food items that we may designate from time to time (the "Proprietary Items") As detailed further below, you must obtain the Proprietary Items from the supplier(s) we designate Specifically, and as of the date of this Disclosure Document, you must obtain all coffee beans, syrups and sauces, sandwiches, burritos, baked goods (in areas where Harvest Roasting delivers such goods), smoothie mixes, paper goods (e g , hot and cold cups, lids, napkins, etc) and other items bearing any SCOOTER'S COFFEE logo or trademark, and equipment (e g , espresso machines, brewers, grinders, ovens) only from our affiliate, Harvest Roasting, or our Preferred Supplier

Store Build-Out and Lease

You must operate your Store from the Franchised Location that we approve We approve locations on a case by case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other

businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease) You may not sign a lease for the Franchised Location until you provide us with a copy of the lease and allow us reasonable time to confirm that the lease contains certain mandated provisions You must sign a collateral assignment of lease (in the form that we require) in connection with any lease agreement We reserve the right to reject the lease if the lease does not contain these provisions, or the landlord does not sign the collateral assignment of lease If you (or your affiliate) own the Franchised Location, you (or your affiliate) must sign a notice of interest in a form we require You are not required to purchase, lease or sublease the Franchised Location from us or our affiliate

You must construct and develop your Store using only those types of construction and decorating materials, fixtures, equipment (including computer hardware and software), furniture and signs that we have approved as meeting our specifications and standards for appearance, function and performance You must submit constructions plans and specifications to us for our approval before you begin construction of your Store, and you must submit all revised plans and specifications to us during the course of construction You must ensure that the plans and specifications comply with the Americans With Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions You must construct your Store with the assistance of contractors, architects and suppliers designated or approved by us

In developing and operating your Store, you may purchase only the types of construction and decorating materials, fixtures, equipment, furniture and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance You must purchase these items from any supplier we designate or from any supplier who can satisfy our standards and specifications We or one of our affiliates may be an approved supplier (or the only approved supplier) of one or more of these items For example, as of the date of this Disclosure Document you must purchase the following Store equipment from our affiliate, Harvest Roasting espresso machines, brewers, grinders and ovens

You must maintain the condition and appearance of the Store, and refurbish and modify its layout, decor and general theme, as we may require to maintain the condition, appearance, efficient operation, ambience and overall image of SCOOTER'S COFFEE Stores We require that you obtain our written consent to any improvements to the Franchised Location before construction begins

Computer Hardware and Software

You must use and purchase a back-office computer system (including any standardized charts of accounts, proprietary software or computer hardware) that we designate You may obtain the computer system from any source, provided the computer system meets our standards and specifications You also must purchase or lease a point-of-sale system that meets our standards and specifications (together with the software we designate, referred to as "POS System") from our designated supplier You must install and maintain a high-speed Internet connection at your Store to allow us access to your Store's data You must run all sales through the POS System You also may, but currently are not required to, have satellite radio at your Store

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors ("Preferred Suppliers List") and approved inventory, products, fixtures, furniture, equipment, signs, supplies and other items or services necessary to operate your Store ("Preferred Supplies List") The Preferred Suppliers List will list particular suppliers from which you must purchase certain inventory, supplies, fixtures or other items for use in your Store The Preferred Supplies List may include specific brands or types of supplies, fixtures, equipment or other items that you may buy from any source provided that the items conform to the standards and specifications for the System We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products As of the date of this Disclosure Document, our affiliate, Harvest Roasting and our designated Preferred Supplier, Dean Foods, are the only approved suppliers of coffee beans, syrups and sauces, sandwiches, burritos, baked goods (in areas where Harvest Roasting and/or Dean Foods delivers such goods), smoothie mixes, paper goods (e g , hot and cold cups, lids, napkins, etc) and other items bearing any SCOOTER'S COFFEE logo or trademark, and certain equipment (e g , espresso machines, brewers, grinders, ovens) If your Store is located within an area served by Harvest Roasting and/or Dean Foods, you must purchase these items from them unless we agree otherwise in writing As of the date of this Disclosure Document, we and our affiliates are not the only approved supplier of any other item The lists specify the suppliers and the products and services which we have approved for use in the System We may revise these lists and provide you with a copy of approved lists as we deem advisable

If you want to use any unapproved material, fixture, inventory, supplies, equipment, furniture, sign or services, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient information, specifications and samples for us to determine whether the services, material, fixture, inventory, suppliers, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria Our coffee beans and pastries offered under the Marks are proprietary Under no circumstances will you be allowed to purchase or use coffee beans or pastries from any supplier other than Harvest Roasting without our prior written approval, which may be withheld for any reason We will notify you of our decision within 90 days following our receipt of all information requested You must reimburse us for the actual cost of any testing and the reasonable cost of our investigation We may inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria We will send written notice of any revocation of an approved supplier or supply As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification We do not provide material benefits to you based on your use of designated or approved sources

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services)

Advertising and Marketing

All marketing and promotion of your SCOOTER'S COFFEE Store and all signs and displays must conform to our standards and specifications

You must submit to us samples of all advertising and promotional materials that have not been prepared or previously approved by us We retain the right to develop and control all advertising using our Marks, both on and off the Internet We reserve the right, on 30 days' prior written notice to you, to require you to participate in electronic advertising by creating, customizing or providing access to a linked web page Subject to applicable law, you must participate in any gift/loyalty card program or other marketing promotions we implement

Insurance

You must purchase and maintain for each Store you operate, at your expense, all insurance we require in the types and minimum amounts described below and in the Operations Manual Your insurance policy or policies must be written by an insurance company that has been approved by us, in writing, and must include the following minimum requirements Comprehensive general liability insurance, including product liability, contractual liability, personal injury, property damage, and independent contractor's coverage and auto hired and non-owned vehicles of at least $1,000,000 per occurrence and $2,000,000 aggregate, property and casualty insurance coverage insuring your inventory, equipment, construction of your improvements, and your completed Store for the full replacement value, automobile liability insurance of at least $1,000,000 combined single limit, worker's compensation insurance that an applicable state may require, employer's liability insurance with limits of at least $500,000 per occurrence, $500,000 per employee, and $500,000 policy limit Your obligation to obtain and maintain these insurance policies will not be affected by any insurance which we may obtain for Scooter's Coffee, LLC, or its affiliates We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability

If you fail to purchase or maintain this insurance, we may demand that you cease operations or we may obtain insurance for you, in which case you must reimburse us and our affiliates for the cost of the insurance All insurance policies must name us and our affiliates as an additional insured and give us at least 30 days' prior written notice of termination, amendment or cancellation You also must provide us with one or more certificates or endorsements of insurance evidencing your insurance coverage and naming us and our affiliates as an additional insured on each applicable policy You must furnish us with copies of all required insurance policies or other evidence of insurance coverage and payment of premiums as we request from time to time

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee We are not aware of any purchasing or distribution cooperative in the System We attempt to receive volume discounts for the System

During our last fiscal year ended December 31, 2016, we did not receive any revenue as a result of franchisee purchases of goods, products and services During its last fiscal year ended December 31, 2016, our affiliates Harvest Roasting and Boundless Enterprises received $14,293,355 in revenue from the sale of goods, products and services to franchisees

We may derive revenue directly or in the form of rebates or other payments from suppliers, based on purchases made by our franchisee Currently, we receive commissions on purchases by you from certain designated suppliers based upon a percentage of your purchases, which commissions range from 3% to 4 5% We may, at our option, either retain these commissions, or other volume discounts, rebates or incentives received as a result of your purchases or use them for advertising or other expenses

Other than our officer's ownership in our affiliate Harvest Roasting, our officers do not own a material interest in any supplier

We estimate that the purchase or lease of the building, site development costs, equipment, signs, fixtures, vehicles, furnishings, supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 75% to 85% of the total cost to develop the Store We estimate that the purchase or lease of supplies, inventory and advertising and sales promotions materials which meet our specifications will represent approximately 28% to 36% of the total cost to operate your Store

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a Site selection and acquisition/lease	Sections 3 1, 3 2, 5 1 and 5 2 of Franchise Agreement Section 3 3 of MSD Agreement	Items 7 and 11
b Pre opening purchase/leases	Sections 5 2 through 5 6 of Franchise Agreement	Item 8
c Site development and other pre opening requirements	Sections 5 2 through 5 6 of Franchise Agreement	Items 6 7 and 11
d Initial and ongoing training	Sections 6 1 6 2 and 6 3 of Franchise Agreement, and Section 3 5 of MSD Agreement	Item 11
e Opening	Section 5 8 of Franchise Agreement	Item 11
f Fees	Sections 4 1, 4 2, 11 1 12 3, 12 4 and 12 5 of Franchise Agreement and Section 2 1 of MSD Agreement	Items 5, 6 and 7
g Compliance with standards and policies/operating manual	Sections 5 1 5 6 8 1 10 1 12 1 and 13 1 13 6 of Franchise Agreement	Item 11
h Trademarks and proprietary information	Sections 14 1, 14 6 and 20 3 of Franchise Agreement	Items 13 and 14
i Restrictions on products/services offered	Sections 2 2 and 10 1 of Franchise Agreement	Items 11 and 16
j Warranty and customer service requirements	None	
k Territorial development and sales quotas	Section 2 2 of Franchise Agreement, and Section 3 1 of MSD Agreement	Item 12
l Ongoing product/service purchases	Sections 10 1 and 13 5 of Franchise Agreement	Item 8

Obligation	Section in agreement	Disclosure document item
m Maintenance appearance, and remodeling requirements	Section 10 1 of Franchise Agreement	Item 11
n Insurance	Sections 21 1 21 4 of Franchise Agreement	Items 7 and 8
o Advertising	Sections 4 2 and 12 1- 12 6 of Franchise Agreement	Items 6, 7 and 11
p Indemnification	Section 19 3 of Franchise Agreement	Item 6
q Owner's participation/management/staffing	Section 10 1 of Franchise Agreement	Items 11 and 15
r Records and reports	Sections 15 1-15 5 of Franchise Agreement	Item 11
s Inspections and audits	Section 15 4 of Franchise Agreement	Item 6
t Transfer	Article 16 of Franchise Agreement, and Article 5 of MSD Agreement	Item 17
u Renewal	Article 17 of Franchise Agreement	Item 17
v Post termination obligations	Sections 18 4 and 20 2 of Franchise Agreement, and Section 6 1 of MSD Agreement	Item 17
w Non competition covenants	Sections 20 1 20 2 of Franchise Agreement and Section 6 1 of MSD Agreement	Item 17
x Dispute resolution	Article 22 of Franchise Agreement, and Section 8 1 of MSD Agreement	Item 17

ITEM 10 FINANCING

Neither we nor our affiliates offer direct or indirect financing We do not guaranty any note, lease or obligations, nor do we receive payment or other consideration for the placing of financing

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

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

Pre-Opening Assistance Before you open a Store, we or our Area Representative, if applicable, will

1 Provide you with the initial training program described below (Section 7 1(a) of Franchise Agreement)

2 Provide you with our site selection criteria and requirements We may, but are not required to, provide site selection assistance, provided, site selection acquisition and development of the Store is your sole obligation (Section 7 1(b) of Franchise Agreement)

3 Provide you with the standards and specifications for the leasehold improvements, interior design, layout, floor plan, signs, designs, products, inventory, uniforms, equipment, POS System, color and decor of the SCOOTER'S COFFEE Store (Section 7 1(c) of Franchise Agreement)

4 Provide you with the standards and specifications for the equipment, supplies and materials used in, and the menu items offered for sale by, the SCOOTER'S COFFEE Store,

including, but not limited to, the Preferred Suppliers List and the Preferred Supplies List and, if available, a description of any regional or central purchase and supply agreements offered by such Preferred Suppliers (Section 7 1(d) of Franchise Agreement)

5 Loan to you, or provide electronic access to, the Operations Manual (Section 7 1(e) of Franchise Agreement)

6 Provide opening assistance consisting of one or more representatives, or an Area Representative on site at the Franchised Location for up to 5 days or more, to assist you in opening the SCOOTER'S COFFEE Store We may use the Initial Grand Opening Support and Marketing Fee to off-set the costs and expenses related to providing this opening assistance We may waive this obligation for any second and subsequent Stores you operate (Section 7 1(f) of Franchise Agreement)

7 Provide assistance in planning and implementing your grand opening campaign (Section 7 1(g) of Franchise Agreement)

If your SCOOTER'S COFFEE Store is located inside an Area Representative's Marketing Area, our obligations may be assigned to, or provided by, the Area Representative

Ongoing Assistance During the operation of your Store, we or our Area Representative, if applicable, will

1 Provide access to any advertising and promotional materials that we may, but are not required to, develop We reserve the right to charge you a fee for the cost of copying or providing any advertising or promotional materials to you (Section 9 1(a) of Franchise Agreement)

2 Provide such on-going support and assistance as we deem appropriate (Section 9 1(b) of the Franchise Agreement)

3 Provide any on-going training programs as we deem appropriate (Section 9 1(c) of Franchise Agreement)

4 Provide any updates or changes to the Operations Manual or System (Section 9 1(d) of the Franchise Agreement)

5 Manage the Advertising Fund (Section 12 3 of the Franchise Agreement)

If your SCOOTER'S COFFEE Store is located inside an Area Representative's Marketing Area, our obligations may be assigned to, or provided by, the Area Representative

Site Selection

We do not generally own the premises (the "Franchised Location") on which you will locate your Store It is your sole responsibility to select and acquire the Franchised Location for your Store, we will not select the Franchised Location, but we will select an area in which you may

select the Franchised Location for the Store and may provide assistance in connection with the site selection process Our approval is required for any site you may choose for your Store You must not, without our prior written approval of the site package you have submitted to us, enter into any contract for the purchase or lease of any premises you intend to use as a Franchised Location for your Store We are not required to, but may, assist you in negotiating the purchase or lease of the Franchised Location You must locate, obtain our approval of and sign a lease and the collateral assignment of lease in the form attached as an Exhibit to the Franchise Agreement (or if you or your affiliate own the Franchised Location, sign and provide us with a copy of the Notice of Interest (attached as an Exhibit to the Franchise Agreement)) for the Franchised Location within 180 days of signing the Franchise Agreement and must open your SCOOTER'S COFFEE Store within one year of signing the Franchise Agreement In most cases, we will send a representative to your proposed site for approval No contractual limit exists on the time it takes us to approve or disapprove your proposed location However, once we have all of the necessary documentation for review, we typically take no more than 30 days to approve or disapprove your proposed location, and we will generally extend your development deadlines when circumstances beyond your reasonable control delay the site selection and approval process Our approval of the Franchised Location does not infer or guarantee the success or profitability of a Franchised Location in any manner We may terminate the Franchise Agreement if you fail to locate a Franchised Location (that meets our approval) and sign a lease for the Franchised Location within 180 days of the date of the Franchise Agreement

Time To Open

The typical length of time it takes to open a SCOOTER'S COFFEE Store after signing the Franchise Agreement or making your first payment for the franchise is 180 to 365 days The factors which may affect this time period are your ability to locate a site, secure financing, obtain a lease, obtain permits, and the extent to which you must upgrade or remodel an existing location, the delivery schedule for equipment, inventory and supplies, and completion of your training You must open your SCOOTER'S COFFEE Store within one year after you sign the Franchise Agreement or we may terminate the Franchise Agreement

Advertising and Promotion

Grand Opening Advertising

We and you will decide on a grand opening promotional advertising campaign for your Store, to be conducted at or around the time your SCOOTER'S COFFEE Store opens for business The grand opening promotion will typically consist of direct mail or print advertising campaigns and discounts, along with local newspaper advertisements, trade area or local marketing and special celebrations We will use some (or all) of the Initial Grand Opening Support and Marketing Fee for your grand opening promotional advertising campaign You may, but are not required to, spend additional amounts on grand opening advertising

Advertising Fund

We operate an advertising fund (the "Advertising Fund") to advertise and promote the SCOOTER'S COFFEE Stores in the System You will pay us a weekly advertising contribution

in an amount of up to 2% of Gross Sales (the "Advertising Contribution") We collect the Advertising Contribution via electronic funds transfer We also will contribute to the Advertising Fund for each SCOOTER'S COFFEE Store that we or our affiliates operate in the United States at the same percentage rate as a majority of SCOOTER'S COFFEE franchisees must pay to the Advertising Fund We will deposit all Advertising Contributions into our general bank account We do not have a separate account for the Advertising Fund We may use the Advertising Fund to conduct national, regional and local advertising, marketing, promotional and public relations campaigns, including the cost of preparing and conducting print, point of purchase, radio, television, Internet, electronic, digital and billboard advertising, and employing advertising agencies We also may use the Advertising Fund to develop advertising and promotional materials for regional and local advertising cooperatives and for use in each franchisee's local market, and for administering gift card programs, gift card incentives and other advertising and marketing activities Currently, we anticipate that the Advertising Fund will be used primarily to pay for creative design costs to produce marketing materials and templates In the future, we may develop an in-house advertising staff to assist in advertising We also contract with various outside advertising agencies and third party vendors to produce certain advertising production and promotional materials and to create and implement public relations campaigns We will determine the use of monies in the Advertising Fund We are reimbursed for reasonable administrative costs, employee salaries and benefits and overhead incurred in administering the Advertising Fund for the preceding year

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Store is located Advertising Contributions not spent in any fiscal year will be carried over for future use We may make loans to the Advertising Fund bearing reasonable interest to cover any deficit of the Advertising Fund and cause the Advertising Fund to invest in a surplus for future use by the Advertising Fund Advertising Contributions will not be used for advertising principally directed at the sale of franchises At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the Advertising Fund for the most recent calendar year

During our last fiscal year ending December 31, 2016, the Advertising Fund was used as follows 16 21% on production, 36 21% on media placement, 44 31% on administrative expenses, and 3 27% other

We do not have an advertising council composed of franchisees that advises us on advertising policies, but we reserve the right to create one in the future

Local Advertising

Currently, you are not required to spend any minimum amount on local advertising, but we may require you, on 60 days' notice, to begin spending up to 2% of quarterly Gross Sales on local advertising (the "Local Advertising Commitment") We may require this expenditure in any or all of the calendar quarters during the term of the Franchise Agreement

You may create your own advertising and promotional materials, at your expense, however, all of your advertising and promotion must be in such media and of such type and format as we may approve, must be conducted in a dignified manner, and must conform to the standards and

requirements as we may specify You may not use any advertising or promotional plans or materials unless and until you have received written approval from us

Advertising Cooperative

You will participate in, support and contribute a proportionate share of the cost of any regional cooperative advertising programs we designate The amount of your contribution will be determined by the regional cooperative (up to 3% of Gross Sales), provided that if the regional cooperative is unable or unwilling to designate the amount of the contribution, we may designate the contribution amount We reserve the right to designate regional and local advertising markets, to establish regional advertising cooperatives and to establish the bylaws and other rules under which such councils will operate SCOOTER'S COFFEE Stores owned and operated by us or our affiliates will have the same voting power as franchised SCOOTER'S COFFEE Stores within that local or regional advertising cooperative The advertising cooperative will use contributions to fund local and regional advertising and promotional campaigns and activities that we recommend or approve for use by the cooperative Each cooperative will determine its own voting procedures so long as those procedures are consistent with the general operating rules we have established We may reallocate some or all of the Advertising Contributions back to a region for the purpose of cooperative expenditures for regional advertising for the Stores in a particular geographic region We can form, change or dissolve the cooperative, or merge it with another cooperative

Point-Of-Sale and Computer Systems

You must use and purchase a back-office computer system (including any standardized chart of accounts, proprietary software and computer hardware) that we designate You may obtain the computer system from any source, provided the computer system meets our standards and specifications Currently, the back-office computer system includes a minimum of one (1) laptop or desktop computer with Internet access, word processing and/or office suite software and the accounting software we designate The cost of the back-office computer system generally ranges from $1,000 to $5,000

You also must purchase or lease a POS System (which includes the registers, at least one scanner, the software we designate (currently, Clover), and any online applications we require) that meets our standards and specifications from our designated supplier The cost of the POS system is determined by a third party vendor and generally ranges between $2,500 and $4,000 The actual cost to you of the POS System will depend on the number of registers you need at your Store, with the lower end of the foregoing range reflecting the cost of a single-register system, and the higher end of the range reflecting the cost of a multiple-register system

The POS System allows you to record sales and provides you with information necessary to prepare financial statements in accordance with our standards and specifications and to monitor your inventory We have the right to access independently at any time the information generated by your POS System There are no contractual limitations on our right to access this information and data

The POS System will have intranet capabilities, and we reserve the right to establish an intranet between us and all SCOOTER'S COFFEE Stores, and you must install and maintain a DSL or other high-speed Internet connection to allow us to do so The POS System must give us the ability to receive electronic sales and financial data in real time and must integrate gift cards and credit card payments The POS System installation, configuration and integration must be performed in accordance with our standards and specifications

We reserve the right to review and receive all information contained in the POS System databases, including but not limited to, sales, product trending, cost of goods sold, inventory levels and hours of operation, through on-line communication contact with your POS System The process to allow this communication must be set up within 30 days of opening your location We have no contractual limitation on our right to receive information through your POS System You must have a DSL or other high speed Internet connection to facilitate communication between you and us and among our franchisees

You may be required to purchase other proprietary software from us or a third party we designate, and/or update any proprietary software at any time during the term of the Franchise Agreement You may be required to enter into a separate computer software license agreement and/or pay a fee to us or any third party supplier we designate for such other proprietary software we may require There are no contractual limitations on the frequency and cost of this requirement

We may require you to install surveillance cameras in and around your Store You will bear the cost of such system

You may, but are currently not required to, have satellite radio at your Store

We have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to the POS System We may require you to purchase, install and implement updates and revisions to the POS System No contractual limitation exists on the frequency or cost of this obligation We estimate that the annual cost of any optional or required maintenance, updating, upgrading or support contracts will be approximately $1,000 00

Operations Manual

During the term of the Franchise Agreement, we will loan to you one copy of, or allow electronic access to, our Operations Manual, which contains mandatory and recommended specifications, standards, and procedures The Operations Manual is confidential and remains our property The table of contents of our Operations Manual is attached as Exhibit H to this Disclosure Document As of the date of this Disclosure Document, our Operations Manual includes the Barista Handbook, Manager Handbook and Franchise Operations Manual The total number of pages in our Operations Manual is 143 The number of pages devoted to each subject is as follows

Manual (Subject)	Pages
Barista Handbook	
Cover	1
Introduction	2
Amazing People	4
Amazing Drinks	16
Manager Handbook	
Cover	1
Table of Contents	2
Amazing People	18
Franchise Operations Manual	
Cover	1
Business Management	16
Equipment	80
Store Operations	2
Total Number of Pages	**143**

Training Program

After you sign the Franchise Agreement and at least 30 days, but not more than 45 days, before you open your Store, you (or if you are a legal entity, one of your owners) and your Designated Manager (as defined in Item 15) must attend and complete to our satisfaction the initial training program described below We may waive the requirement that you (or if you are a legal entity, one of your owners) attend the initial training program if this is your second or subsequent Store We do not charge you for this training for up to two individuals, although you must pay travel, living expenses and wages for you and all employees who attend the training session All training is currently conducted on business days (although weekend training is available) at our headquarters and at company-owned Stores in the Omaha, Nebraska metropolitan area and lasts approximately four weeks We plan to offer our initial training program as often as needed The training material consists of written, visual or videotaped instruction, and hands on training in operating SCOOTER'S COFFEE Store

TRAINING PROGRAM

Subject	Hours of Classroom Training - Estimated	Hours of On-the-Job Training - Estimated	Location
Orientation	8	0	Omaha NE Training Facility
Scooter s University	6	0	Omaha NE Training Facility
Operations /Customer Service	8	160	Omaha, NE Training Facility
Interviewing	8	0	Omaha, NE Training Facility
Marketing & Merchandising	8	0	Omaha, NE Training Facility
Accounting / Business Finance	8	0	Omaha, NE Training Facility
Total	**46**	**160**	

Our Senior Director of Operations, Heather Koob will oversee the trainers for the courses described above Heather has been training franchisees in the SCOOTER'S COFFEE system in these areas since November 1, 2014 and she has been an employee of Scooter's Coffee, LLC,

since July 1, 2013 If your SCOOTER'S COFFEE Store is located inside an Area Representative's Marketing Area, the Area Representative also may assist with our initial training program The table below identifies the Marketing Areas and years of experience for our Area Representatives as of the date of this Disclosure Document

Area Representative	Marketing Area	Years of Experience
Metcalf Coffee Inc Jason Metcalf Rita Metcalf	Lincoln, Nebraska	Jason Metcalf and Rita Metcalf have served as Area Representatives since August 2006
AgMark Frams, Inc Mark Stevenson Denise Lynn Stevenson	Phoenix, Arizona	Mark Stevenson and Denise Lynn Stevenson have served as Area Representatives since July 2014
Arc Holdings LLC Adam Cockerill	Dallas, Texas	Adam Cockerill has served as an Area Representative since January 2014
DAT Coffee Company LLC Pat Do	Wichita Kansas	Pat Do has served as an Area Representative since May 2007

We will send one or more representatives to your first Store for up to 5 days or more at or around the date the Store opens to assist you in operating the Store We may use a portion of the Initial Grand Opening Support and Marketing Fee you pay to us to pay for the costs and expenses associated with this opening assistance

If it becomes necessary to provide the initial training program to any replacement or additional Designated Managers during the term of the Franchise Agreement, we will provide the initial training program but you must pay us our then-current training fee (currently, $500 per person) You will be responsible for all travel and living expenses incurred by your personnel during the training program The availability of the training program will be subject to space considerations and prior commitments to new franchisees

Between one and four times per year, you or your Designated Manager may be required to attend, at your expense, a national, regional or local meeting, seminar or conference which we present for the purpose of discussing a topic such as advertising programs, new operations methods, training, management, sales, or sales promotion You must attend our annual meeting each year

ITEM 12 TERRITORY

Franchise Agreement

Under the Franchise Agreement, you may operate your Store and use the Marks and the System only at a Franchised Location that has been approved by us We base our approval of your proposed Franchised Location on a variety of factors including the viability of the location and demographics of the proposed Franchised Location If, on the date you sign your Franchise Agreement, you do not have a Franchised Location approved by us, we will designate, by Addendum to the Franchise Agreement, a "Designated Area" or "Designated Territory" within which you are to find a Franchised Location The designation of a Designated Area or Designated Territory does not grant you any territorial rights in the Designated Area or Designated Territory, but only limits the area in which you may locate your store

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 Under the Franchise Agreement, you must operate your Store at a specific location identified in the Franchise Agreement That location will be a specific numbered street or mall address

You acknowledge that the franchise rights granted under the Franchise Agreement are non-exclusive We (for ourselves and our affiliates) retain all rights not expressly granted to you in the Franchise Agreement, including the right to

(1) operate and grant others the right to open and operate a SCOOTER'S COFFEE Store at any location,

(2) promote, sell and distribute products and services authorized for sale at SCOOTER'S COFFEE Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution,

(3) promote, sell and distribute products and services authorized for sale at SCOOTER'S COFFEE Stores under the Marks through dissimilar channels of distribution, including by electronic means such as the Internet, by mail order, catalog, retail store display, through the wholesale sale of products to unrelated retail outlets or to distributors, or to grocery stores, convenience stores, or other locations, and

(4) promote the System and SCOOTER'S COFFEE Stores generally, including on the Internet (or any other existing or future form of one or more electronic commerce), and to create, operate, maintain and modify or discontinue the use of websites using the Marks

For purposes of this Item 12, non-traditional locations means and includes airports, hospitals, stadiums, train stations, malls, military bases, amusement parks and business atriums We are not required to pay you any compensation if we exercise any of these rights

You may not conduct business from any site other than the Franchised Location, whether by relocating, establishing additional outlets, or using alternative distribution channels There is no minimum sales quota Continuation of your Franchised Location does not depend on the achievement of any specified sales volume, market penetration or other contingency You are not granted any options, rights of first refusal, or similar rights to acquire additional franchises under the Franchise Agreement

Neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at SCOOTER'S COFFEE Stores under any other trademark or service mark

MSD Agreement

If you sign an MSD Agreement, then under the terms of that Agreement, we grant to you the right to establish, according to a schedule, a minimum number of SCOOTER'S COFFEE Stores within a larger geographical territory specified in the MSD Agreement ("Development Area") A Development Area is usually defined by political boundaries such as street boundaries, a city, county or state limits or by other reasonable boundaries The number of SCOOTER'S COFFEE Stores to be developed may be adjusted depending on demographics and other characteristics of a Development Area, including population density, income and other characteristics of the surrounding area, natural boundaries, extent of competition and whether the proposed Development Area is urban, suburban or rural in nature You have no option, right of first refusal or similar contractual right to acquire additional SCOOTER'S COFFEE Store franchises within your Development Area or anywhere else

Provided you are in full compliance with the terms of the MSD Agreement and all obligations under each Franchise Agreement entered into under the MSD Agreement, we will not (except as expressly provided below) operate or grant a third party the right to operate a SCOOTER'S COFFEE Store inside the Development Area We (for ourselves and our affiliates) retain all rights not expressly granted to you in the MSD Agreement, including the right to

(1) directly operate, or to grant other persons the right to operate Stores at locations outside the Development Area,

(2) promote, sell and distribute products and services authorized for sale at Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution,

(3) promote, sell and distribute products and services authorized for sale at Stores under the Marks through dissimilar channels of distribution, including by electronic means such as the Internet, by mail order, catalog, retail store display, through the wholesale sale of products to unrelated retail outlets or distributors, or to grocery stores, convenience stores, or locations other than through SCOOTER'S COFFEE Stores,

(4) directly operate, or to grant other persons the right to operate Stores at non-traditional locations (as that term is defined below) located inside or outside the Development Area, if you are unable to secure the right to operate a Store at the non-traditional location, and

(5) promote the System and Stores generally, including on the Internet (or any other existing or future form of one or more electronic commerce), and to create, operate, maintain and modify or discontinue the use of websites using the Marks

For purposes of this Item 12, non-traditional locations mean and include, airports, hospitals, stadiums, train stations, malls, military bases, amusement parks and business atriums We are not required to pay you any compensation if we exercise any of these rights

The continuation of your right to your Development Area during the term of the MSD Agreement depends on meeting the Development Schedule set forth in the MSD Agreement If you fail to meet the requirements of the Development Schedule, we may, among other things, terminate your MSD Agreement, in which case you would lose your rights to the Development Area

ITEM 13 TRADEMARKS

We grant you the right to operate your Store under the name "SCOOTER'S COFFEE " You also may use our other Marks to operate your Store

The following table lists only the principal Marks that you are licensed to use We have filed all required affidavits and renewal registrations for the Marks listed below

Trademark	Registration Date/ Application Date	Registration Number/ Application Number	Register
SCOOTERS	February 13, 2007	3,207,069	Principal
SCOOTER S	October 4 2016	5053643	Principal
	December 17, 2013	4 450,951	Principal
	November 11 2014	4 636 672	Principal

We do not have a federal registration for the trade name "SCOOTER'S COFFEE" Therefore, this trade name does not have as many legal benefits and rights as a federally registered trademark If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

There are no presently effective materials determinations by the U S Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceedings or any pending material litigation, involving the Marks that are relevant to your use in any state There are currently no agreements in effect that significantly limit our right to use or license the use of the Marks

You must follow our rules when you use the Marks You must use the Marks as the sole service marks identifying your Store You must identify yourself as the independent owner of the Store in the manner we require You may not use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you), or in any modified form, nor may you use any Mark to advertise unauthorized services or products or in any other manner not expressly authorized in writing by us We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify,

or discontinue the use of, a website using the Marks You have the right to access our website Except as we may authorize in writing, however, you will not (1) link or frame our website, (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication), (3) create or register any Internet domain name in any connection with your Store, and (4) use any e-mail address which we have not authorized for use in operating the Store You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar Further, you may not market, advertise or promote your Store or conduct any business on the Internet, including using social and professional networking sites to promote your Store, except as provided in our written social media policy (if any) or with our prior written approval

You must modify or discontinue your use of a Mark if we require modification or discontinuance of it, at your own expense and without recourse against us

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark and you may not communicate with any person other than us or our counsel regarding this matter You may not settle any claim without our written consent We have no obligation to take any affirmative action when notified of such uses or claims, but rather have the right to take actions we deem appropriate and the exclusive right to control any litigation or any other administrative proceeding arising out of any infringement, challenge or claim against any Mark

We are not contractually obligated by the Franchise Agreement to protect your right to use the Marks or to protect you against claims of infringement or unfair competition regarding your use of the Marks and have no obligation to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving one or more of the Marks We pay all litigation costs, including attorneys' fees and court costs, if we elect to defend or protect your authorized use of the Marks We will not pay any of your attorneys' fees if you hire your own attorney You must cooperate with us in any litigation

Our nationwide rights in our mark SCOOTER'S date back to June 24, 2004 We are aware of restaurants throughout the United States that use the word SCOOTER'S or a similar mark as part of their restaurant names and/or marks, including in Illinois, Pennsylvania, Ohio, Maryland, Missouri, Oklahoma, and Colorado There may also be others If these or any other restaurants used the word SCOOTER'S or a similar mark prior to June 24, 2004, it is possible that you may be precluded from operating a SCOOTER'S® Store in the same market as these restaurants If our right to use our trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses

We have received a letter from Scooter's Frozen Custard in Chicago, Illinois, claiming that it has been using the mark SCOOTER'S FROZEN CUSTARD continuously since 2003 in connection with its Scooter's Frozen Custard store as well as custards, ice creams, sandwiches, pies and other food and beverage items sold under its mark SCOOTER'S FROZEN CUSTARD It also claims that its mark is well known and associated throughout the Chicagoland area with its use, and that it has senior rights in its mark SCOOTER'S FROZEN CUSTARD in the Chicagoland area At this time, we have not taken any action with respect to this use, but we are investigating our options

We are also aware of restaurants that use the mark SCOOTER'S or a similar mark as part of their restaurant names and/or marks in other parts of the country that may have junior rights to us We may take enforcement action against junior users but are not obligated to do so

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You will not receive the right to use any item covered by a patent, pending patent application or registered copyright, but you can use the proprietary information in our Operations Manual and other proprietary information we may disclose to you Our Operations Manual, recipes, and all related materials are considered proprietary and confidential and are considered to be our property, which you may use only as described in the Franchise Agreement You must maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of these secrets and information You must also sign a Non-Disclosure and Non-Competition Agreement, attached as Exhibit D, which governs your use of our proprietary and confidential information

You must promptly notify us if you learn about any unauthorized use of our proprietary information We are not obligated to take any action, but we will respond to your notification as we deem appropriate

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

Under the Franchise Agreement, you are not required to manage and operate your Store personally You, and a person you designate ("Designated Manager"), must successfully complete our mandatory initial training programs for franchisees You are not required to serve as the on-premises manager All Designated Managers throughout the term of your Franchise Agreement must successfully complete our initial training programs

If you are a corporation, limited liability company, or partnership, we do not require that your Designated Manager own an equity interest in such entity However, your Designated Manager and each of your officers, directors, partners, shareholders or members (and, if you are an individual, your spouse) must agree to be bound by the nondisclosure provisions of the Franchise Agreement and must sign a Nondisclosure and Noncompetition Agreement, substantially in the form of Exhibit D Other than the above, we make no other recommendations regarding your direct participation in the operation or on-premises supervision of your SCOOTER'S COFFEE Store, and we have no other requirements regarding employment or other written agreements between you and your employees

Each of your officers, directors, shareholders, partners or members must sign an agreement (Exhibit II to the Franchise Agreement) personally assuming and agreeing to perform all obligations of the Franchisee under the Franchise Agreement

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only those products and services approved by us and may not use the SCOOTER'S COFFEE Store or the Franchised Location for any purposes other than the operation of a SCOOTER'S COFFEE Store You must sell all of the products and services we have approved, including SCOOTER'S COFFEE gift cards, and promotional items such as caps, T-shirts, jackets and similar sportswear You must comply with our standards and specifications We have the right to approve all items on your menu We have the right to change or supplement the types of authorized products and services, and 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

	Provision	Section in Franchise Agreement	Summary
a	Length of the franchise term	Section 17 1	10 years
b	Renewal or extension of the term	Section 17 2	One option to renew for an additional 10 year term if you meet requirements
c	Requirements for franchisee to renew or extend	Sections 17 2 and 17 3	Provide advance notice, sign then current form of Franchise Agreement (which may include terms and conditions materially different from the existing Franchise Agreement), must be in compliance with Franchise Agreement, sign release pay fee and renovate Store if applicable
d	Termination by franchisee	None	The franchisee may terminate the agreement on any grounds available by law
e	Termination by franchisor without cause	None	N/A
f	Termination by franchisor with cause	Section 18 1	We can terminate only if you default
g	Cause defined —curable defaults	Section 18 2	Violation of health safety or sanitation laws after 72 hours notice, 10 days for failure to pay amounts owed 30 days for all other curable defaults
h	Cause defined —non curable defaults	Section 18 1	Material misrepresentation or omission in application abandonment misuse of Marks deceptive practices, felony conviction, unauthorized assignment unauthorized use of Confidential Information, failure to pay taxes, assignment for benefit of creditors, bankruptcy, insolvency repeated violations, failure to pay us or our affiliates
i	Franchisee s obligations on termination/ nonrenewal	Section 18 4	Cease operating franchised business, cease use of confidential information and Marks, deliver property containing the Marks, cancel assumed or similar name registrations assign lease or de identify pay outstanding amounts and damages, deliver manuals, assign phone numbers, comply with covenants
j	Assignment of contract by franchisor	Section 16 6	No restriction on our right to assign
k	'Transfer by franchisee — defined	Section 16 1	Includes transfer of all or any interest in the agreement, the Store your assets or you

	Provision	Section in Franchise Agreement	Summary
l	Franchisor approval of transfer by franchisee	Section 16 3	We have the right to approve or disapprove all transfers
m	Conditions for franchisor approval of transfer	Section 16 2	Full compliance, transferee qualifies all amounts due are paid in full completion of training, transfer fee paid transferee signs our then current form of Franchise Agreement, franchisee executes or delivers other required documents including release
n	Franchisor s right of first refusal to acquire franchisee s business	Section 16 4	30 day period, we have right to match offer
o	Franchisor s option to purchase franchisee s business	Section 18 3	We may offer to buy your Store or just your Store s assets
p	Death or disability of franchisee	Section 16 7	Franchise must be assigned to an approved buyer within 120 days of death or disability
q	Non-competition covenants during the term of the franchise	Section 20 1	No involvement in any competing business wherever located or operating
r	Non competition covenants after the franchise is terminated or expires	Section 20 2	No interest in competing business for 2 years within 10 miles of the former Franchised Location or 10 miles of any Store
s	Modification of the agreement	Section 23 1	No modifications generally but Operations Manual subject to change
t	Integration/merger clause	Section 23 2	Only terms of Franchise Agreement are binding (subject to state law and federal law), provided that this provision does not disclaim representations made in the FDD Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable
u	Dispute resolution by arbitration or mediation	Section 22 1	Depending on type of claim, arbitration in Nebraska (subject to state law)
v	Choice of forum	Section 22 3	Omaha, Nebraska (subject to state law)
w	Choice of law	Section 22 2	Nebraska law (subject to state law)

MSD AGREEMENT

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

	Provision	Section in MSD Agreement	Summary
a	Length of the franchise term	Section 4 1	Varies
b	Renewal or extension of the term	N/A	N/A
c	Requirements for franchisee to renew or extend	N/A	N/A
d	Termination by franchisee	N/A	N/A
e	Termination by franchisor without cause	N/A	N/A
f	Termination by franchisor with cause	Section 4 3	We can terminate only if you default under Franchise Agreement or MSD Agreement
g	Cause defined—curable defaults	Section 4 3	30 days to cure defaults under MSD Agreement
h	Cause defined—non curable defaults	Section 4 2	Repeated noncompliance, bankruptcy conviction that relates to the operation of the Store, subfranchising

	Provision	Section in MSD Agreement	Summary
i	Franchisee s obligations on termination/nonrenewal	Section 6 1	All obligations in Franchise Agreement apply to MSD Agreement
j	Assignment of contract by franchisor	Section 5 1	No restriction on our right to assign
k	Transfer by franchisee—defined	Section 5 2	May transfer to assignee of Franchise Agreement rights with our approval
l	Franchisor approval of transfer by franchisee	Section 5 2	We have the right to approve all transfers
m	Conditions for franchisor approval of transfer	Section 5 2	Fulfill conditions in Franchise Agreement
n	Franchisor s right of first refusal to acquire franchisee s business	Section 5 4	We may match any offer
o	Franchisor s option to purchase franchisee s business	Section 18 3	We may purchase your Store including your interest in the real estate at fair market value, less goodwill associated with the Marks and System and any amounts owed to us
p	Death or disability of franchisee	Section 16 7	Same as Franchise Agreement
q	Non competition covenants during the term of the franchise	Section 6 1	No involvement in competing Store
r	Non competition covenants after the franchise is terminated or expires	Section 6 1	Same as Franchise Agreement
s	Modification of the agreement	Section 8 7	No modifications generally
t	Integration/merger clause	Section 8 8	Only terms of MSD Agreement and Franchise Agreement are binding (subject to state and federal law), provided that this provision does not disclaim representations made in the FDD Any representations or promises outside of the disclosure document MSD Agreement, and Franchise Agreement may not be enforceable
u	Dispute resolution by arbitration or mediation	Section 8 1	Depending on type of claim arbitration in Omaha Nebraska (subject to state law)
v	Choice of forum	Section 8 1	Omaha Nebraska (subject to state law)
w	Choice of law	Section 8 3	Nebraska law (subject to state law)

ITEM 18 PUBLIC FIGURES

We currently 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

As of December 31, 2016, there were 140 franchised Scooter's Coffee stores in operation and 18 affiliate-owned Scooter's Coffee stores in operation Of the 140 franchised Scooter's Coffee stores in operation as of December 31, 2016, 67 were Type 1 Stores, 56 were Type 2 stores, and 17 were Type 3 Stores Of the 18 affiliate-owned Scooter's Coffee stores in operation as of December 31, 2016, 7 were Type 1 Stores, 8 were Type 2 Stores, and 3 were Type 3 Stores This Item 19 does not include financial performance information for any of our franchised or affiliate-owned Type 3 Stores

This Item 19 is separated into two sections Section I identifies the average revenue, cost of goods sold and labor costs for both our Participating Franchised Stores (as defined below), and certain of our affiliate-owned stores (owned and operated by Boundless Operations) Section II of this Item 19 identifies the historic same-store sales growth for those franchised and affiliate-owned Scooter's Coffee Stores that were open for at least thirteen months during each of the five measured periods noted in Section II below

I Average Revenue, Cost of Goods Sold, and Labor Costs

A Participating Franchised Stores

In March and April 2017, we contacted each of our 123 Type 1 and Type 2 franchised Scooter's Coffee Stores that were open and operating as of December 31, 2016 Of the 123 Type 1 and Type 2 franchised Scooter's Coffee Stores that we contacted, we received information from 80 of our Type 1 and Type 2 franchised Scooter's Coffee Stores that were open and operating during the entire time period of January 1, 2016 to December 31, 2016 (the "Measurement Period") Of the 80 Type 1 and Type 2 franchised Scooter's Coffee Stores that provided us with information, 63 are included in the financial performance information outlined in this Section I A (the "Participating Franchised Stores") Only those Participating Franchised Stores that operated a Scooter's Coffee Store during the entire Measurement Period are included in the information below Of the 63 Participating Franchised Stores which were in operation during the entire Measurement Period, 38 are Type 1 Stores and 25 are Type 2 Stores 17 Type 1 and Type 2 franchised Scooter's Coffee Stores that provided us with information were not included in the financial performance information below because they were the top 3 or bottom 3 performers in the "Cost of Goods Sold" and "Labor Costs" performance categories below

The average revenue, cost of goods sold and labor costs noted in this Section I A below is based on the information provided to us by our Participating Franchised Stores We have not verified or audited this information

Franchised Stores (Type 1) The numbers outlined below reflect the average gross revenue, cost of goods sold and labor costs experienced by the 38 Type 1 Participating Franchised Stores that were in operation during the entire Measurement Period

	Average	Number and Percentage that Attained or Exceeded (or did better than) the Average	Median	Low / High Range
Gross Revenue	$415,155	20 (53%)	$418,987	$138,897 / $676,617
Cost of Goods Sold[1]	29 82%	22 (58%)	29 57%	27 76% / 35 36%
Labor Costs[2]	24 28%	21 (55%)	23 34%	20 06% / 36 35%

Franchised Stores (Type 2) The numbers outlined below reflect the average gross revenue, cost of goods sold and labor costs experienced by the 25 Type 2 Participating Franchised Stores that were in operation during the entire Measurement Period

	Average	Number and Percentage that Attained or Exceeded (or did better than) the Average	Median	Low / High Range
Gross Revenue	$553,842	12 (48%)	$487,345	$249,063 / $976,855
Cost of Goods Sold[1]	29 89%	16 (64%)	29 53%	28 08% / 33 55%
Labor Costs[2]	24 60%	13 (52%)	24 57%	20 71% / 29 67%

B Affiliate-Owned Stores

Of the 18 affiliated-owned Scooter's Coffee stores in operation as of December 31, 2016, all 18 were operated by our affiliate, Boundless Operations (the "Affiliate-Owned Stores") during the entire Measurement Period Of the 18 Affiliate-Owned Stores in operation during the Measurement Period, 8 are included in the financial performance information included in this Section I B Of the 8 affiliate-owned Scooter's Coffee stores included in the financial performance representation below 3 are Type 1 Stores and 5 are Type 2 stores The 10 Affiliate-Owned Stores not included in the financial performance information below were excluded because (1) certain of the excluded affiliate-owned Stores had not been open for the entire Measurement Period, (2) certain of the excluded affiliate-owned Stores were not Type 1 or Type 2 Stores, and (3) we excluded the top 3 and bottom 3 performers in the "Cost of Goods Sold" and "Labor Costs" performance categories below

Affiliate-Owned Stores (Type 1) The numbers outlined below reflect the average gross revenue, cost of goods sold and labor costs experienced by the 3 Type 1 Affiliate-Owned Stores that were in operation during the entire Measurement Period

	Average	Number and Percentage that Attained or Exceeded (or did better than) the Average	Median	Low / High Range
Gross Revenue	$436,011	1 (33%)	$430,682	$382,511 / $494,837
Cost of Goods Sold[1]	28 76%	1 (33%)	28 87%	28 02% / 29 39%
Labor Costs[2]	22 13%	1 (33%)	22 47%	20 82% / 23 10%

Affiliated-Owned Store (Type 2) The numbers outlined below reflect the average gross revenue, cost of goods sold and labor costs experienced by the 5 Type 2 Affiliate-Owned Stores that were in operation during the entire Measurement Period

	Average	Number and Percentage that Attained or Exceeded (or did better than) the Average	Median	Low / High Range
Gross Revenue	$532,682	2 (40%)	$405,320	$244,896 / $966,517
Cost of Goods Sold[1]	29 88%	4 (80%)	29 04%	28 24% / 34 13%
Labor Costs[2]	25 29%	3 (60%)	24 14%	20 79% / 32 33%

Table Notes

1 For purposes of the tables above, the term "Cost of Goods Sold" includes amounts for coffee beans, dairy, food items, syrups, tea, smoothies, cups, lids, paper products, and other direct products associated with serving food and beverage products In calculating the average cost of goods sold, we determined the average total annual or annualized cost of goods sold for the Stores in question and divided the result by the average total annual or annualized gross revenues for such Stores

2 For purposes of the tables above, the term "Labor Costs" includes wages for in-store employees including the manager and payroll taxes, but does not include employee benefits Overhead employees are not included in the labor calculations above In calculating the average labor costs, we determined the average total annual or annualized labor costs for the Stores in question and divided the result by average total annual or annualized gross revenues for such Stores

Additional Information

1 31 of the 38 Type 1 Participating Franchised Stores and 20 of the 28 Type 2 Participating Franchised Stores included in the financial performance representation above are located in large metropolitan areas 3 of the 3 Type 1 affiliate-owned Stores and 5 of the 5 Type 2 affiliate-owned Stores included in the financial performance representation above are located in large metropolitan areas The market where your store will be located, however, may be in a smaller urban or suburban area Accordingly, the results achieved by these outlets may not be typical for those in your area

2 As of December 31, 2016, the Type 1 Participating Franchised Stores included in Section I A above had been open at least 22 months

3 As of December 31, 2016, the Type 2 Participating Franchised Stores included in Section I A above had been open at least 18 months

4 As of December 31, 2016, the Type 1 affiliate-owned Stores included in Section I B above had been open at least 22 months

5 As of December 31, 2016, the Type 2 affiliate-owned Stores included in Section I B above had been open at least 15 months

6 The information included in Section I B is for our affiliate-owned Stores owned and operated by Boundless Operations We have structured our relationship with Boundless Operations to reflect our relationship with independent franchisees For example, Boundless Operations pays us royalty fees and advertising fund fees, and pays the same amount as similarly situated franchisees for products and inventory

7 The financial information that forms the basis for these financial-performance representations will be made available to you upon reasonable request

II Historic Same-Store Sales Growth

The same-store sales growth figures below compare the net sales earned by established franchised and affiliate-owned outlets over the course of a calendar year with the net sales earned by the same outlets during the prior calendar year Net sales are measured by taking gross sales and subtracting customer discounts and refunds to customers The figures below were calculated using information from both franchisee-owned Stores and affiliate-owned Stores For franchisee-owned Stores, we used information from sales reports submitted for the purposes of calculating royalties, and data obtained from approved point-of-sale register systems

Same store sales for locations open for at least thirteen months is measured each year Over the last five years, the Scooter's system has experienced same store sales growth that breaks down as follows

A Franchised Stores

Period	Same-Store Sales Growth Over Prior Year	Total No of Open Outlets Whose Data Were Used	Total No of Outlets Existing During Period	Of Outlets Whose Data Was Used Total No Located in Large Metro Area	No and Percentage of Outlets that Attained or Exceeded Avg
2011 2012	+11 42%	64	71	54	33 (51 56%)
2012 2013	+10 62%	71	80	61	33 (46 48%)
2013 2014	+12 38%	74	83	65	40 (54 05%)
2014 2015	+14 90%	96	115	81	45 (46 88%)
2015 2016	+8 37%	110	145	89	56 (50 91%)

B Affiliate-Owned Stores

Period	Same-Store Sales Growth Over Prior Year	Total No of Open Outlets Whose Data Were Used	Total No of Outlets Existing During Period	Of Outlets Whose Data Was Used Total No Located in Large Metro Area	No and Percentage of Outlets that Attained or Exceeded Avg
2011-2012	+12 90%	27	28	23	15 (55 56%)
2012-2013	+11 61%	25	26	22	16 (64 00%)
2013-2014	+12 95%	28	29	25	15 (53 57%)
2014 2015	+15 21%	13	21	12	6 (46 15%)
2015-2016	+5 81%	14	22	13	7 (50 00%)

Additional Information

1 Of the outlets whose data was used for the financial performance representation above, we included the number located in large metropolitan areas The market where your store will be located may be in a smaller urban or suburban area Accordingly, the results achieved by these outlets may not be typical for those in your area

2 All of the Stores whose data were used in the table above were open for at least thirteen months during the measured period There is no guarantee you will stay in business that long or that you will achieve the stated levels of same-store sales growth within that time period

8 The information included in Section II B above is for our affiliate-owned Stores owned and operated by Boundless Operations We have structured our relationship with Boundless Operations to reflect our relationship with independent franchisees For example, Boundless Operations pays us royalty fees and advertising fund fees, and pays the same amount as similarly situated franchisees for products and inventory

3 If a Store was transferred between affiliate and franchisee during any measurement period in the representation above, its classification as affiliate-owned or franchisee-owned was based upon the majority of time owned and operated by affiliate or franchisee during the measurement period

Additional Notes

1 We do not represent that you can expect to attain these same results There is no assurance that you will achieve the same figures detailed in the tables above You are likely to achieve results that are different from the results shown above If you rely on our figures, you must accept the risk of not doing as well Many factors, including location of your Scooter's Coffee® Store, management capabilities, local market conditions, and other factors, are unique to each Scooter's Coffee® store and may significantly impact the financial performance of your business

2 Bear in mind that a new franchisee's financial results are likely to differ from the results stated in this financial performance representation

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

4 The financial performance figures do not reflect all of the costs of sales, operating expenses, or other costs or expenses that must be deducted from net revenue or net sales figures to obtain your net income or profit For example, this Item 19 does not include costs associated with paying any rental expense, equipment, royalty or continuing marketing fees You should conduct an independent investigation of the costs and expenses you will incur in operating your Scooter's Coffee® Store

5 Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request

6 Other than the preceding financial performance representations, we do not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you 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 Dave Anderson at Scooter's Coffee, LLC, 6824 J Street, Omaha, NE 68117, Telephone (402) 614-1723, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE NO 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2014 TO 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Stores	2014	76	97	+21
	2015	97	112	+15
	2016	112	140	+28
Company-Owned	2014	28	13	-15
	2015	13	18	-5
	2016	18	18	0
Total Outlets	2014	104	110	+6
	2015	110	130	+20
	2016	130	158	+28

Note For purposes of Item 20, company-owned stores are those owned by our affiliate, Boundless Operations Scooter's Coffee, LLC does not own any Stores

TABLE NO 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2014 TO 2016

State	Year	Number of Transfers
Kansas	2014	1
	2015	4
	2016	0

Missouri	2014	0
	2015	2
	2016	0
Nebraska	2014	0
	2015	1
	2016	2
Texas	2014	0
	2015	1
	2016	0
Total	2014	1
	2015	8
	2016	2

Note This table does not include transfers of Stores from our affiliate, Boundless Operations, to other parties Those Stores are considered sales of company-owned Stores for purposes of Item 20

TABLE NO 3

STATUS OF FRANCHISED OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
Colorado	2014	2	0	0	0	1	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	1	1	0
Florida	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
Georgia	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Iowa	2014	0	5	0	0	0	0	5
	2015	5	1	0	0	0	0	6
	2016	6	9	0	0	0	0	15
Kansas	2014	19	5	3	0	0	0	21
	2015	21	2	0	0	0	4	19
	2016	19	1	0	0	0	0	20

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Missouri	2014	7	1	0	0	0	0	8
	2015	8	2	0	0	0	0	10
	2016	10	0	0	0	0	0	10
Nebraska	2014	42	13	1	0	1	0	53
	2015	53	9	0	0	0	0	62
	2016	62	11	0	0	0	0	73
Oklahoma	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
South Dakota	2014	2	1	0	0	0	0	3
	2015	3	2	0	0	0	0	5
	2016	5	3	0	0	0	0	8
Texas	2014	4	2	1	0	0	0	5
	2015	5	2	0	0	0	1	6
	2016	6	1	0	0	0	0	7
Utah	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	76	28	5	0	2	0	97
	2015	97	20	0	0	0	5	112
	2016	112	30	0	0	1	1	140

TABLE NO 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2014 TO 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2014	0	1	0	0	0	1
	2015	1	4	0	0	0	5
	2016	5	0	0	0	4	1
Colorado	2014	0	0	1	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	1	0	0	2
Iowa	2014	4	0	0	0	3	1
	2015	1	0	0	0	0	1
	2016	1	3	0	0	0	4
Kansas	2014	3	0	0	0	3	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Missouri	2014	1	0	0	0	1	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Nebraska	2014	20	0	1	0	11	10
	2015	10	3	0	0	2	11
	2016	11	1	0	0	1	11
Texas	2014	0	0	0	0	0	0
	2015	0	1	0	0	1	0
	2016	0	0	0	0	0	0
Totals	2014	28	1	2	0	18	13
	2015	13	8	0	0	3	18
	2016	18	4	1	4	1	18

TABLE NO 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Arizona	2	2	0
Arkansas	1	1	0
California	1	2	1
Colorado	1	1	0
Florida	0	1	0
Iowa	1	4	0
Kansas	4	4	0
Missouri	4	5	0
Nebraska	3	8	1
South Dakota	1	3	0
Texas	3	4	0
Utah	0	1	0
Total	21	36	2

Current Franchisee Contact Information

Attached to this disclosure document as Exhibit E is a list, which identifies the names, addresses and telephone numbers of all of our Company-owned and franchisee-owned outlets, as of December 31, 2016

Former Franchisee Contact Information

The franchisees who ceased to do business under the franchise agreement or who had an outlet terminated, canceled, not renewed, or transferred within the last fiscal year, or who have not communicated with the franchisor within 10 weeks of the application date are listed in Exhibit F

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

Some franchisees have signed confidentiality clauses during the last three years In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you

There are no trademark-specific franchisee organizations associated with the franchise system being offered

ITEM 21 FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2016, December 31, 2015 and December 31, 2014 are attached as Exhibit G to this Franchise Disclosure Document Our fiscal year end is December 31

ITEM 22 CONTRACTS

The following agreements are attached as exhibits to this Franchise Disclosure Document

Exhibit B	Franchise Agreement
Exhibit C	Multiple Store Development Agreement
Exhibit D	Nondisclosure and Noncompetition Agreement
Exhibit I	State Addenda
Exhibit J	Sample Release

ITEM 23 RECEIPTS

The last two pages of the Franchise Disclosure Document (following the exhibits and attachments) are two copies of a receipt acknowledging that you have received the Franchise Disclosure Document Please fill out and sign both copies, return one to us, and keep one for your records

EXHIBIT A
(TO FRANCHISE DISCLOSURE DOCUMENT)

List of State Agencies/Agents for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Business Oversight California Department of Business Oversight	320 West 4th Street Suite 750 Los Angeles CA 90013 2344 1 866 275 2677
Hawaii (State Administrator)	Commissioner of Securities Dept of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street Room E111 Indianapolis IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street Room E018 Indianapolis IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St Paul Place Baltimore MD 21202 2020
Maryland (Agent)	Maryland Securities Commissioner	200 St Paul Place Baltimore MD 21202 2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G Mennen Williams Building 1st Floor 525 West Ottawa Street Lansing MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East Suite 280 St Paul MN 55101 2198
New York (State Administrator)	Office of the New York State Attorney General Investor Protection Bureau Franchise Section	120 Broadway 23rd Floor New York NY 10271 0332 212 416 8236 Phone 212 416 6042 Fax
New York (Agent)	Attention New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue 6th Floor Albany NY 12231 0001 518 473 2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck ND 58505 0510
Rhode Island	Director Department of Business Regulation Securities Division	1511 Pontiac Avenue John O Pastore Complex – Building 69 1 Cranston RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	124 S Euclid Suite 104 Pierre SD 57501
Virginia (State Administrator)	Virginia State Corporation Commission Division of Securities and Retail	1300 East Main Street 9th Floor Richmond VA 23219 3630
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street 1st Floor Richmond VA 23219 3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater WA 98501 360 902 8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 201 W Washington Ave Suite 300 Madison WI 53703

EXHIBIT B
(TO FRANCHISE DISCLOSURE DOCUMENT)

Franchise Agreement

EXHIBIT B
(TO FRANCHISE DISCLOSURE DOCUMENT)

SCOOTER'S COFFEE, LLC

FRANCHISE AGREEMENT

Franchisee _____
Date _____
Franchised Location _____
_____

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EXHIBITS

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I-1	Rider to Exhibit I of Franchise Agreement
II	Permit, License and Construction Certification
III	Statement of Ownership
IV	Guaranty and Assumption of Franchisee's Obligations
V	Authorization Agreement for Preauthorized Payments
VI	Collateral Assignment of Lease
VII	Notice of Interest
VIII	Acknowledgement Addendum

SCOOTER'S COFFEE, LLC
FRANCHISE AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made this _____ day of _____, 20_____, by and between Scooter's Coffee, LLC, a Nebraska limited liability company, located at 6824 J Street, Omaha, Nebraska 68117 ("**Franchisor**") and _____, located at _____ ("**Franchisee**"), who, on the basis of the following understandings and in consideration of the following promises, agree as follows

1 PURPOSE

1 1 The Franchisor has developed methods for establishing, operating and promoting quick service coffee stores offering drive-through, carry out and in-store seating service of espresso drinks, smoothies, baked goods, and other related products and services ("SCOOTER'S COFFEE Stores" or 'Stores") under certain valuable trade names, service marks and trademarks, including the service mark "SCOOTER'S COFFEE" (the "Marks"), and the Franchisor's proprietary system for doing business (the "System")

1 2 The Franchisor grants the right to others to establish and operate SCOOTER'S COFFEE Stores, under the Marks and pursuant to the System

1 3 The Franchisee desires to establish a SCOOTER'S COFFEE Store at a location identified herein, and the Franchisor desires to grant the Franchisee the right to operate a SCOOTER'S COFFEE Store under the terms and conditions contained in this Agreement

2 GRANT OF FRANCHISE

2 1 **Grant of Franchise** The Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the right to use the Marks and System in connection with the establishment and operation of a SCOOTER'S COFFEE Store of the type identified in Exhibit 1 to this Agreement, at the location described in Article 3 of this Agreement The Franchisee agrees to use the Marks and System, as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement

2 2 **Scope of Franchise Operations** The Franchisee agrees at all times to faithfully, honestly and diligently perform its obligations hereunder, and to use best efforts to promote its SCOOTER'S COFFEE Store The Franchisee agrees to utilize the Marks and System to operate all aspects of the business franchised hereunder in accordance with the required standards and specifications developed and prescribed from time to time by the Franchisor, all of which are a part of the System The Franchisee's SCOOTER'S COFFEE Store shall offer all, and only the products and services the Franchisor shall designate which may include, without limitation, drive-through, carryout and in-store seating services offered in conjunction with a distinctive theme and decor and a uniform menu offering espresso drinks, smoothies, baked goods, and other related products and services The Franchisee shall implement any additions and changes to the products and services offered by its Store as required by the Franchisor The Franchisee shall be restricted from offering or selling any products or services not previously approved by the Franchisor in writing and shall further be restricted from producing or distributing the authorized products and services for non-retail or off-site sale except as specifically permitted under the terms of this Agreement

3 FRANCHISED LOCATION AND TERRITORIAL RIGHTS

3 1 Franchised Location The Franchisee is granted the right to own and operate one SCOOTER'S COFFEE Store at the address and location set forth in the Addendum attached as Exhibit I ('**Franchised Location**") If, at the time of execution of this Agreement, the Franchised Location cannot be designated as a specific address because a location has not been selected by the Franchisee and approved by the Franchisor, then the Franchisee, within 60 days of the date of this Agreement, must select and acquire a location for its SCOOTER'S COFFEE Store within the nonexclusive ' Designated Area," set forth in Exhibit I In such circumstances, the Franchisee shall select and propose to the Franchisor for approval a specific site for the Franchised Location in the nonexclusive Designated Area which, when approved by the Franchisor, shall then be named in the Rider to Exhibit I If a location has not been selected by Franchisee and approved by Franchisor within 60 days of the date of this Agreement, then Franchisor may terminate this Agreement If the Franchisee elects to move or relocate the Franchised Location at any time during the term of this Agreement, the Franchisee shall submit information about the proposed site to the Franchisor for approval, which approval may be granted or withheld by the Franchisor, and Franchisee shall simultaneously pay the Franchisor a $500 "Relocation Fee " The Franchisor may charge the Franchisee up to an additional $500, payable not later than the date the Store re-opens at the new location, if the Franchisor incurs costs in excess of $500 in connection with the relocation During the term of this Agreement, the Franchised Location shall be used exclusively for the purpose of operating a SCOOTER'S COFFEE Store

3 2 Limitation on Franchise Rights The rights that are granted to the Franchisee are for the specific Franchised Location only, and may not be used at any other location, except with the prior written approval of the Franchisor The Franchisee shall not operate another Store or offer services or goods using the Marks or the System at any site other than the Franchised Location without the Franchisor's prior written approval, which approval can be withheld for any reason

3 3 Franchisor's Reservation of Rights The Franchisee acknowledges that the franchise rights granted hereunder are non-exclusive and that the Franchisor, for itself and its affiliates and successors, retains all rights not expressly granted to Franchisee in this Agreement, including, among others (1) the right to operate and grant others the right to open and operate a SCOOTER'S COFFEE Store at any location, (2) promote, sell and distribute products and services authorized for sale at SCOOTER'S COFFEE Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution, (3) promote, sell and distribute products and services authorized for sale at SCOOTER'S COFFEE Stores under the Marks through dissimilar channels of distribution, including by electronic means such as the Internet, by mail order, catalog, retail store display, through the wholesale sale of products to unrelated retail outlets or to distributors, or to grocery stores, convenience stores, or other locations, and (4) promote the System and SCOOTER'S COFFEE Stores generally, including on the Internet (or any other existing or future form of one or more electronic commerce), and to create, operate, maintain and modify or discontinue the use of websites using the Marks

4 INITIAL FRANCHISE FEE

4 1 Initial Franchise Fee In consideration for the right to develop and operate one SCOOTER'S COFFEE Store, the Franchisee agrees to pay to the Franchisor, concurrently with the execution of this Agreement, an initial franchise fee ("**Initial Franchise Fee**") in the amount set forth in Exhibit I The Initial Franchise Fee is earned upon receipt, and is not refundable except as expressly provided herein If this is Franchisee's second or subsequent SCOOTER'S COFFEE Store and (i) this Agreement is signed and the Store is open within 24 months after the opening of Franchisee s most recent Store, and (ii) Franchisee is in compliance with all agreements between Franchisee (and its affiliates) and Franchisor (or its affiliates), then Franchisor will refund to Franchisee $15,000 of the Initial Franchise Fee

4 2 **Initial Grand Opening Support and Marketing Fee** The Franchisee agrees to pay to Franchisor, concurrently with the execution of the Agreement, the amount set forth in Exhibit I (the "Initial Grand Opening Support and Marketing Fee") The Franchisor and/or an area representative, if applicable, may match up to fifty percent (50%) of the Franchisee's Initial Grand Opening Support and Marketing Fee Franchisor will use the Initial Grand Opening Support and Marketing Fee to provide such grand opening support, assistance and marketing of the Store as Franchisor deems appropriate

5 DEVELOPMENT OF FRANCHISED LOCATION

5 1 **Consent to Franchised Location** Before entering into a lease or purchasing property, the Franchisee must obtain the Franchisor's written consent to any site proposed as a Franchised Location by submitting a complete site-submittal package, including demographics, information regarding drive-through access, and other materials requested by the Franchisor, containing all information reasonably required by the Franchisor to assess a proposed Franchised Location The Franchisor will not unreasonably withhold its consent of a proposed site that meets all of the Franchisor's site-selection criteria The Franchisee acknowledges and agrees that the Franchisor's consent to a site and any information provided by the Franchisor regarding the site does not constitute a representation or warranty of any kind, express or implied, as to the suitability or profitability of the site for a SCOOTER'S COFFEE Store If Franchisor has not approved a Franchised Location within 60 days of the date of this Agreement, then Franchisor may terminate this Agreement

5 2 **Consent to Lease or Site Acquisition** The Franchisee shall obtain the Franchisor's prior written consent before executing any lease or purchase agreement for the Franchised Location The Franchisee shall execute a lease or purchase agreement that has been approved by the Franchisor no later than 180 days from the date of full execution of this Agreement Any lease for the Franchised Location shall contain (1) provisions establishing an initial term, or an initial term together with any renewal terms (for which rent must be specified in the lease) of at least 10 years, (2) provisions expressing the landlord's consent to the Franchisee's use of the Marks and all required signage for the Store, (3) provisions giving the Franchisor the right to enter the premises and make any modifications necessary to protect the Marks and the System, (4) provisions allowing the Franchisor, or its designee, to have the option to assume the lease and the right following such assumption to assign the lease or sublet the leased premises to another SCOOTER'S COFFEE franchisee for all or any part of the lease term without further landlord consent if the Franchisee defaults under the lease or this Agreement or if this Agreement terminates or expires, (5) provisions requiring the landlord to give the Franchisor written notice of any defaults by the Franchisee under such lease and the right to cure any such defaults, and (6) restrictive-use clauses which are acceptable to the Franchisor Franchisee must provide Franchisor with a copy of the lease for its review and approval before the lease is signed Franchisee, Franchisor and the landlord of the Franchised Location must sign the Collateral Assignment of Lease (attached hereto as Exhibit VI) and assign to the Franchisor as security for the Franchisee's timely performance of all obligations under this Agreement and the lease and the Franchisee shall obtain the landlord's consent to such collateral assignment If the Franchised Location is purchased or owned by the Franchisee, or an affiliate of the Franchisee, then Franchisee (or the affiliate of Franchisee) must sign and file the Notice of Interest attached hereto as Exhibit VII The Franchisee acknowledges that the Franchisor's consent to a lease or purchase agreement for the Franchised Location does not constitute a recommendation, endorsement or guarantee by the Franchisor of the suitability or profitability of the location, the lease or purchase agreement The Franchisee should take all steps necessary to ascertain whether the lease or purchase agreement is acceptable to the Franchisee The Franchisor's review and consent to the lease or purchase agreement shall be for the Franchisor's benefit only and the Franchisee should not rely on such review and approval for any purpose whatsoever The Franchisee shall deliver a copy of the signed lease or purchase agreement for the Franchised Location to the Franchisor within 15 days of its execution

5 3 **Construction, Conversion and Design** The Franchisee acknowledges that the improvements, layout, fixtures, equipment, design, decoration and color scheme of SCOOTER'S COFFEE Stores are an integral part of the Franchisor's proprietary System and accordingly, the Franchisee shall construct, convert, improve, design and decorate the Franchised Location, in accordance with the Franchisor's plans and specifications and with the assistance of contractors, architects and suppliers designated by or otherwise approved by the Franchisor The Franchisee shall obtain the Franchisor's written consent to any conversion, improvements, design or decoration of the premises before construction, remodeling or decorating begins, recognizing that all such costs are the Franchisee's sole responsibility It shall be the Franchisee's responsibility to have prepared all required site plans, blueprints and construction plans and specifications to suit the shape and dimensions of the Franchised Location, including drive-through access, and to insure compliance with any lease and applicable laws, including without limitation, the Americans with Disabilities Act

5 4 **Signs** The Franchisee shall purchase or otherwise obtain for use at the Franchised Location and in connection with the SCOOTER'S COFFEE Store the maximum number and size of signs allowed by applicable building codes, which signs must comply with the Franchisor's required standards and specifications as set forth in the Operations Manual, as that term is defined in Section 8 1 It is the Franchisee's sole responsibility to insure that all signs comply with applicable local ordinances, building codes and zoning regulations Any modifications to the Franchisor's required standards and specifications for signs which must be made due to local ordinances, codes or regulations shall be submitted to the Franchisor for prior written approval The Franchisee acknowledges that the Marks, or any other name, symbol or identifying marks on any signs shall only be used in accordance with the Franchisor's standards and specifications and only with the prior written approval of the Franchisor

5 5 **Equipment and Inventory** The Franchisee shall purchase or otherwise obtain for use or sale at the Franchised Location and in connection with the SCOOTER'S COFFEE Store, all equipment and inventory of a type and in an amount which complies with the Franchisor's required standards and specifications The Franchisee acknowledges that the type, quality, configuration, capability and/or performance of the equipment, inventory and other products and services used or offered through the SCOOTER'S COFFEE Store are all required standards and specifications which are a part of the System and therefore such equipment, inventory, products and other items must be purchased, leased or otherwise obtained in accordance with the Franchisor's standards and specifications and only from the Franchisor, its affiliates or suppliers or other sources approved by the Franchisor

5 6 **Point-of-Sale System and Computers** The Franchisee shall equip the Store with a point-of-sale system, computer hardware, software and other designated equipment (collectively, the '**POS System**") as is consistent with the Franchisor's required standards and specifications The Franchisee shall obtain computer hardware and software in accordance with the Franchisor's standards and specifications, and the Franchisor reserves the right to require the Franchisee to purchase, install and utilize POS System hardware and software obtained from the Franchisor, or a supplier designated by the Franchisor The Franchisee shall be responsible for all maintenance costs associated with the POS System If required to do so by the Franchisor, the Franchisee, at the Franchisee's sole cost, shall subscribe to an electronic network connection service to facilitate communication between the Franchisor and the Franchisee and/or among SCOOTER'S COFFEE franchisees The Franchisee shall install and maintain a DSL or other high-speed Internet connection at the Store to allow the Franchisor access to data and other information concerning the Store The Franchisor reserves the right to require the Franchisee, upon 30 days notice, to purchase, install and implement such computer software and hardware as Franchisor may designate, including but not limited to updates and revisions to the POS System, a new POS System, or new financial-reporting software

5 7 **Permits and Licenses** The Franchisee agrees to obtain all such permits and licenses as may be required for the lawful construction and operation of the SCOOTER'S COFFEE Store, together with all certifications from government authorities having jurisdiction over the site, that all requirements for construction and operation have been met, including without limitation, zoning, access, sign, health, menu labeling, fire and safety requirements, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances The Franchisee agrees to obtain all customary contractors' sworn statements and partial and final lien waivers for construction, remodeling, decorating and installation of equipment at the Franchised Location The Franchisee shall execute and deliver to the Franchisor the Permit, License and Construction Certification, in the form attached to this Agreement as Exhibit II, to confirm the Franchisee's compliance with the Americans With Disabilities Act and other provisions of this Section 5 7 not later than 30 days prior to the date the Store begins operating The Franchisee shall keep copies of all health department, fire department, building department and other similar state and local agency and entity certifications, licenses, and reports of inspections on file and available for review by the Franchisor Copies of all subsequent inspection reports, warnings, certificates and ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the SCOOTER'S COFFEE Store which indicates the Franchisee's failure to meet or maintain the highest governmental standards, or less than full compliance by the Franchisee with any applicable law, rule or regulation, shall be forwarded to the Franchisor within five days of the Franchisee's receipt thereof

5 8 **Commencement of Operations** Unless otherwise agreed to in writing by the Franchisor and the Franchisee, the Franchisee has one year from the date of this Agreement within which to commence operation of the SCOOTER'S COFFEE Store The Franchisor may extend the time in which the Franchisee has to commence operations for a reasonable period of time in the event factors beyond the Franchisee's reasonable control prevent the Franchisee from meeting this development schedule, so long as the Franchisee has made reasonable and continuing efforts to comply with such development obligations and the Franchisee requests, in writing, an extension of time in which to have its SCOOTER'S COFFEE Store established before such development period lapses The Franchisee must obtain the Franchisor's approval prior to opening the Store for business

6 TRAINING AND MEETINGS

6 1 **Initial Training Program** The Franchisee or, if the Franchisee is not an individual, an owner of Franchisee and the person designated by the Franchisee to assume primary responsibility for the management of the SCOOTER'S COFFEE Store (the "**Designated Manager**"), is required to attend the initial training program which is offered by the Franchisor at a designated training facility If this is Franchisee's second or subsequent Store, the Franchisor may allow someone other than Franchisee (or an owner of Franchisee) to attend initial training Up to two individuals are eligible to participate in the Franchisor's initial training program without charge of a tuition or fee The Franchisee shall be responsible for any and all traveling expenses, living expenses and wages incurred by the Franchisee and its employees in connection with attendance at the training program Training participants will not receive any compensation from the Franchisor while attending the Franchisor's training At least one individual must successfully complete the initial training program at least thirty days prior to (but no more than 45 days before) the Franchisee's commencement of operation of its SCOOTER'S COFFEE Store The Franchisor reserves the right to waive a portion of the training program or alter the training schedule if Franchisor determines that the Franchisee or the Designated Manager has sufficient prior experience or training, or if this is Franchisee's second or subsequent SCOOTER'S COFFEE Store

If it becomes necessary to provide the initial training program to any replacement or additional Designated Managers during the term of this Agreement, or if Franchisee sends more than two individuals to the initial training program, the Franchisee must pay the Franchisor its then-current additional per

person training fee prior to attending the initial training program The Franchisee shall be responsible for all travel and living expenses incurred by its personnel during the training program The availability of the training programs shall be subject to space considerations and prior commitments to new franchisees

6 2 **Additional Training Programs** From time to time, the Franchisor may present or hold seminars, conventions or continuing development programs or meetings ('Programs") The Franchisee or its Designated Manager must attend any and all Programs as Franchisor designates The Franchisee, its Designated Manager and any employees designated by Franchisor must attend the Franchisor's annual franchise convention The Franchisor reserves the right to charge the Franchisee a fee for attending any Programs, regardless of attendance The Franchisee will be responsible for all travel and living expenses which are associated with attendance at the same

6 3 **Additional Meetings** From time to time, the Franchisor may request a mandatory meeting with the Franchisee or its Designated Manager, at a time and place designated by the Franchisor The Franchisee shall be required to attend such meeting The Franchisor shall give the Franchisee at least 15 days' prior written notice of any meeting that is deemed mandatory For all mandatory meetings, the Franchisee will be responsible for all traveling and living expenses, which are associated with attendance at the same

7 DEVELOPMENT ASSISTANCE

7 1 **Franchisor's Development Assistance** To assist the Franchisee in the initial establishment of the SCOOTER'S COFFEE Store, the Franchisor shall provide the following

a The initial training program to be conducted at the Franchisor's designated training facilities or at another location designated by the Franchisor, as described in Article 6 above

b The Franchisor will provide Franchisee with its site selection criteria and requirements The Franchisor may, but is not required to, provide site selection assistance, provided, site selection acquisition and development of the Store is the sole obligation of the Franchisee

c Standards and specifications for the leasehold improvements, interior design, layout, floor plan, signs, designs, products, inventory, uniforms, equipment, POS System, color and decor of the SCOOTER'S COFFEE Store

d Standards and specifications for the equipment, supplies and materials used in, and the menu items offered for sale by, the SCOOTER'S COFFEE Store, including, but not limited to, a list of Franchisor's designated or approved suppliers of such items and, if available, a description of any regional or central purchase and supply agreements offered by such designated or approved suppliers

e One copy of, or electronic access to, the Operations Manual, as defined and described in Article 8 below, which shall be loaned to the Franchisee during the term of this Agreement

f Opening assistance consisting of one or more representatives of the Franchisor, or an area representative on site at the Franchised Location for up to 5 days or more, to assist the Franchisee in opening the SCOOTER'S COFFEE Store, provided, however, that the Franchisee shall hire and be exclusively responsible for the hiring, firing, training, scheduling, compensation

and control of its employees The Franchisor may use the Initial Grand Opening Support and Marketing Fee to off-set the costs and expenses related to providing this opening assistance The Franchisor reserves the right to waive the provision of onsite opening assistance for second and subsequent Stores operated by the Franchisee

g Assistance in planning and implementing the Franchisee's grand opening campaign

8 OPERATIONS MANUAL

8 1 Operations Manual The Franchisor agrees to loan to, or provide electronic access to, the Franchisee the franchise operations manual, (the "**Operations Manual**") covering the required standards and specifications for operating a SCOOTER'S COFFEE Store The Operations Manual also will include recommended practices, policies and guidelines which Franchisee may, but is not required to, follow in connection with the operation of the SCOOTER'S COFFEE Store

8 2 Confidentiality of Operations Manual Contents The Operations Manual is the sole property of the Franchisor and shall be used by the Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof The Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons other than its employees or officers who need the information to perform their jobs All owners of the Franchisee must sign a confidentiality and noncompetition agreement provided by the Franchisor The Franchisee shall return the Operations Manual to the Franchisor upon the expiration, termination or transfer of this Agreement

8 3 Changes to Operations Manual The Franchisor reserves the right to revise the Operations Manual from time to time as it deems necessary to update operating and marketing techniques or standards and specifications in any manner The Franchisee, within 30 days of receiving any update (or such earlier time period as the Franchisor designates), must update its copy of the Operations Manual as instructed by the Franchisor and conform its operations to the updated provisions The Franchisee acknowledges that the master copy of the Operations Manual maintained by the Franchisor at its principal office shall be controlling in the event of a dispute relative to the content of any Operations Manual

9 OPERATING ASSISTANCE

9 1 Franchisor's Assistance The Franchisor agrees that, during the Franchisee's operation of the SCOOTER'S COFFEE Store, the Franchisor, or its designated representatives, including an area representative, shall make available to the Franchisee the following assistance

a Access to any advertising and promotional materials as may be developed by the Franchisor The Franchisor reserves the right to charge the Franchisee a fee for the cost of copying or providing advertising and promotional materials to Franchisee

b Such ongoing support and assistance as the Franchisor deems appropriate

c Any ongoing training programs as the Franchisor deems appropriate

d Any updates or changes to the Operations Manual or System

9 2 Responsibilities of Area Representative The Franchisor reserves the right to transfer certain of its obligations under this Agreement to an area franchise representative ("Area Representative") in the geographic area in which the Franchisee's SCOOTER'S COFFEE Store will be located In such event,

the Area Representative, on behalf of the Franchisor, will perform certain training, support and/or assistance as the Franchisor deems appropriate for the Franchisee and the Franchisee's SCOOTER'S COFFEE Store The Franchisee agrees in advance to any such delegation and assignment by the Franchisor of any portion or all of the Franchisor's obligations and rights under this Agreement

10 FRANCHISEE'S OPERATIONAL COVENANTS

10 1 Business Operations The Franchisee acknowledges that it is solely responsible for the successful operation of its SCOOTER'S COFFEE Store In addition to all other obligations contained herein and in the Operations Manual, the Franchisee covenants that

a The Franchisee will maintain a clean, safe, and high quality SCOOTER'S COFFEE Store operations and shall promote and operate the business in accordance with the requirements of the Operations Manual and in such a manner as not to detract from or adversely reflect upon the name and reputation of the Franchisor and the goodwill associated with the SCOOTER'S COFFEE name and Marks

b The Franchisee will conduct itself and operate its SCOOTER'S COFFEE Store in compliance with all applicable laws, health department regulations, menu labeling requirements and other ordinances and in such a manner so as to promote a good public image in the business community In connection therewith, the Franchisee will be solely and fully responsible for obtaining any and all licenses to operate the SCOOTER'S COFFEE Store Franchisee shall keep copies of all health department, fire department, building department and other similar reports of inspections by governmental authorities on file and available for inspection by Franchisor The Franchisee shall promptly forward to the Franchisor copies of all health department, fire department, building department and other similar reports of inspections as and when they become available

c The Franchisee acknowledges that proper management of the SCOOTER'S COFFEE Store is important and shall insure that the Franchisee or a Designated Manager who has completed the Franchisor's initial training program be responsible for the management of the SCOOTER'S COFFEE Store after commencement of operations and be present at the Franchised Location during operation of the SCOOTER'S COFFEE Store Unless otherwise agreed to by Franchisor, the SCOOTER'S COFFEE Store will be open for business during the hours set forth in the Operations Manual

d The Franchisee acknowledges that the franchise granted hereunder requires and authorizes the Franchisee to offer only authorized products and services as are more fully described in the Operations Manual, which may include, without limitation, espresso drinks, smoothies, baked goods and related products and services The Franchisee shall maintain at all times a sufficient supply of all menu items and related food and paper products to prevent any items, insofar as possible, from being unavailable to its customers The Franchisee agrees to prepare all menu items in accordance with Franchisor's standards and specifications and to obtain all products and services from suppliers the Franchisor designates (if applicable) The Franchisee shall offer all types of services and products as from time to time may be prescribed by the Franchisor and shall refrain from offering any other types of services or products, or operating or engaging in any other type of business or profession, from or through the SCOOTER'S COFFEE Store, unless the Franchisor's advance written consent is first obtained The Franchisee shall engage in all types of advertising, marketing and promotional activities as from time to time may be prescribed by Franchisor and shall not engage in any advertising, marketing or promotional activities unless Franchisor's written consent is first obtained

e The Franchisee shall promptly pay when due all taxes and other obligations owed to third parties in the operation of the SCOOTER'S COFFEE Store, including without limitation, all federal, state and local taxes, and any and all accounts or other indebtedness of every kind incurred by the Franchisee in the conduct of the SCOOTER'S COFFEE Store In the event of a bona fide dispute as to the liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, however, in no event shall the Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor to occur against the premises of the Franchised Location, or any improvement thereon

Franchisee must also pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on Franchisor as a result of its receipt or accrual of the Initial Franchise Fee, the Royalty Fee, or other fees referenced in this Agreement, whether assessed against Franchisee through withholding or other means or whether paid by Franchisor directly In either case, Franchisee shall pay Franchisor (and to the appropriate governmental authority) such additional amounts as are necessary to provide Franchisor, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amount that it would have received or accrued had such withholding or other payment, whether by Franchisee or by Franchisor, not been required

f The Franchisee shall comply with all agreements with third parties related to the SCOOTER'S COFFEE Store including, in particular, all provisions of any premises lease or equipment lease The Franchisee shall promptly notify Franchisor in writing of any notices of default or non-compliance under its lease or any other third-party contracts related to the operation of the Store, by sending copies of all such notices to the Franchisor If the term of the lease for the Franchised Location ends before the term of this Agreement expires, the Franchisee shall negotiate a renewal of the lease term in good faith If the Franchisee is unable to renew the lease at the Franchised Location, the Franchisee may find a different site reasonably proximate to the Franchised Location, submit it to the Franchisor for approval together with payment of the Relocation Fee and, if Franchisor should approve of the proposed site, move the Franchisee's Store to the new location, at the Franchisee's sole cost Nothing shall obligate the Franchisor to approve any such proposed site, and approval may be granted or denied in Franchisor's sole business judgment

g The Franchisee agrees to renovate, refurbish, remodel or replace, at its own expense, the real and personal property and equipment used in the operation of the SCOOTER'S COFFEE Store, when reasonably required by the Franchisor in order to comply with the image, standards of operation and performance capability established by the Franchisor from time to time If the Franchisor changes its image or standards of operation, it shall give the Franchisee a reasonable period of time within which to comply with such changes

h The Franchisee shall at all times during the term of this Agreement own and control the SCOOTER'S COFFEE Store authorized hereunder Upon request of the Franchisor, the Franchisee shall promptly provide satisfactory proof of such ownership to the Franchisor The Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the SCOOTER'S COFFEE Store is held by the Franchisee The Franchisee shall promptly provide the Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall comply with the applicable transfer provisions contained in Article 16 herein The Franchisee

acknowledges that, if the Franchisee is a legal entity, the officers, directors, members and/or shareholders of the Franchisee must guarantee the performance of the Franchisee hereunder and sign the Guaranty and Assumption of the Franchisee's Obligations which is attached to this Agreement as Exhibit IV

i The Franchisee shall at all times during the term of this Agreement keep its SCOOTER'S COFFEE Store open during the business hours as may be designated by the Franchisor from time to time in the Operations Manual Any deviations from the required hours must be approved in writing by the Franchisor

j The Franchisor may require the Franchisee to install surveillance cameras in and around the Store The Franchisee will bear the cost of such system

k Franchisee shall be solely responsible for all employment decisions and functions of the SCOOTER'S COFFEE Store including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether Franchisee receives advice from Franchisor on these subjects Franchisee acknowledges and agrees that all personnel decisions shall be made by Franchisee, without any influence or advice from Franchisor, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Franchisor

l Franchisee acknowledges and agrees that Franchisor, subject to applicable law, may set minimum and maximum prices for all menu items

10 2 Anti-Terrorism Representation The Franchisee represents to the Franchisor that it and all persons or entities holding any legal or beneficial interest whatsoever in the Franchisee are not included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended

11 ROYALTIES

11 1 Royalty The Franchisee agrees to pay the Franchisor a weekly royalty ("**Royalty**") equal to 6% of the Franchisee s Gross Sales, defined in Section 11 2 below, generated during the Royalty Period (defined in Section 11 3, below)

11 2 Gross Sales "Gross Sales" means sales of any and all services or products from or through the SCOOTER S COFFEE Store, including any such sale of services or products made for cash or upon credit, or partly for cash and partly for credit, regardless of collection of charges for which credit is given, regardless of whether such sale is conducted in compliance with or in violation of the terms of this Agreement and regardless of whether such sale is at the Franchised Location or off-site, but exclusive of discounts, sales taxes or other similar taxes and credits "Gross Sales" shall also include the fair market value of any services or products received by the Franchisee in barter or exchange for its services and products

11 3 Royalty Payments The Franchisee agrees that the Royalty shall be paid weekly by electronic transfer of funds on every Tuesday of each week (the "**Due Date**") for the preceding Reporting Period Reporting Period means the period of Saturday to Friday (unless Franchisor designates otherwise) The Franchisee must make its periodic Royalty payments by electronic funds transfer and must execute an

Authorization Agreement for preauthorized payment of the Royalty by electronic transfer of funds from the Franchisee's bank account, in the form attached hereto as Exhibit V ("**Authorization Agreement**") The Franchisor reserves the right to update this authorization periodically and/or upon any change or transfer of the Franchisee's banking relationship The Franchisee agrees to provide 30 days notice to the Franchisor of any banking change which may alter the Franchisor's ability to access payment of Royalties by electronic funds transfer On the Due Date, the Franchisee shall report to the Franchisor by telephone, electronic means or in written form, as may be reasonably directed by the Franchisor, in a manner more fully described in Article 15 hereof, with such information and pursuant to such standard transmittal procedures regarding the Franchisee's Gross Sales and such additional information as may be requested by the Franchisor The Franchisor shall have the right to verify such Royalty payments from time to time as it deems necessary, in any reasonable manner, including by means of electronic access to Franchisee's POS System In the event the Franchisee fails to have sufficient funds in its account or otherwise to pay any Royalties due as of the Due Date, the Franchisee shall owe, in addition to such Royalties, a late charge equivalent to $25, plus interest of 1½ % per month (subject to applicable law) on all outstanding amounts due, which interest shall begin to accrue the day following the Due Date for such payment, provided, however, in no event shall the Franchisee be required to pay a late payment at a rate greater than the maximum interest rate permitted by applicable law In the event the Franchisee fails to report Gross Sales for the Store on or before the Due Date, the Franchisor may debit the Franchisee's bank account in an amount equal to the Franchisee's Royalty Payment for the preceding Reporting Period or based upon Gross Sales for the current Reporting Period as determined by the Franchisor's polling of the Franchisee's computerized cash registers

11 4 Application of Payments The Franchisor may apply any payments made by the Franchisee to any of the Franchisee's past due indebtedness to the Franchisor or its affiliates The Franchisee acknowledges that the Franchisor has the right to set-off any amounts the Franchisee may owe to the Franchisor or its affiliates against any amounts the Franchisor or its affiliates might owe to the Franchisee

12 ADVERTISING

12 1 Approval of Advertising The Franchisee shall obtain the Franchisor's prior written approval of all written advertising or other marketing or promotional programs and materials not previously approved by the Franchisor regarding the SCOOTER'S COFFEE Store The Franchisee shall also obtain the Franchisor's prior written approval before using any promotional materials as may be provided by vendors Any proposed written advertising or a description of a marketing or promotional program not previously approved by the Franchisor shall be submitted to the Franchisor at least 15 days prior to publication, broadcast or use The Franchisee acknowledges that advertising and promoting the SCOOTER'S COFFEE Store in accordance with the Franchisor's standards and specifications is an essential aspect of the System, and the Franchisee agrees to comply with all advertising standards and specifications The Franchisee shall display all required promotional materials, signs, point of purchase displays and other marketing materials in its SCOOTER'S COFFEE Store and in the manner prescribed by the Franchisor

12 2 Grand Opening The Franchisee agrees to conduct a grand opening advertising and promotional program for the Store The Franchisor and Franchisee will develop a grand opening promotional advertising campaign for the Store All or a portion of the Initial Grand Opening Support and Marketing Fee will be used for the grand opening promotional advertising campaign Franchisee may, but is not required to, spend additional amounts on grand opening advertising

12 3 Advertising Contribution The Franchisee agrees to pay to the Franchisor for deposit in an advertising fund (the "**Advertising Fund**") a weekly advertising contribution fee in the amount of 2% of

Gross Sales (' **Advertising Contribution**") The Advertising Contribution shall be paid to the Franchisor in addition to Royalties and in addition to and not in lieu of amounts spent on local and regional advertising, and the following terms and conditions shall apply

a The Advertising Contribution shall be payable concurrently with, and in the same manner as, the payment of the Royalties as described in Section 11 3 above The Advertising Contributions will be subject to the same late charges as the Royalties, in an amount and manner set forth in Section 11 3 above

b The Franchisor shall direct all advertising and marketing programs that use the Advertising Contributions, and will oversee the creative concepts, materials and endorsements used therein, geographic, market and media placement and allocation, and the administration thereof Reasonable disbursements from the Advertising Fund will be made solely to pay expenses the Franchisor incurs in connection with the general promotion of the Marks and the System, including creative design costs to produce marketing and advertising materials, the cost of formulating, developing and implementing advertising, marketing promotional materials, Electronic Advertising (as defined in Section 12 6 below), digital marketing programs (or future forms of electronic marketing including, for example, Google pay per click ads), costs associated with administering gift card programs, gift card incentives and other advertises and marketing activities, and the reasonable costs of administering the Advertising Fund, including the cost of employing advertising agencies to assist us and providing promotional brochures and advertising materials to SCOOTER'S COFFEE Stores and to regional and local advertising cooperatives, as well as accounting expenses and the actual costs of salaries and fringe benefits paid to the Franchisor's employees engaged in administering the Advertising Fund

c The Franchisor will place all Advertising Contributions it receives in the Advertising Fund and will manage such Fund The Franchisor does not have a separate account for the Advertising Fund The Franchisor, or its affiliates, will contribute to the Advertising Fund for each SCOOTER'S COFFEE Store it or its affiliates operate in the United States at the same percentage rate as a majority of SCOOTER'S COFFEE franchisees must pay to the Advertising Fund The Advertising Fund is not a trust or escrow account, and the Franchisor has no fiduciary obligations regarding the Advertising Fund The Franchisor cannot insure that any individual franchisee will benefit directly or on a pro rata basis from the future placement of any such advertising in its local market The Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of SCOOTER'S COFFEE Stores to the Advertising Fund in that year

d The Franchisor may, through the Advertising Fund, furnish Franchisee with approved local marketing plans and materials The Franchisor will determine the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs Upon written request, we will provide you an annual unaudited statement of the receipts and disbursements of the Advertising Fund for the most recent calendar year

12 4 Local Advertising The Franchisor reserves the right, upon 60 days' written notice, to require the Franchisee to spend up to an additional 2% of Gross Sales on local advertising ('**Local Advertising Allocation**) each calendar quarter If required, the Franchisee shall prepare and submit a quarterly report to the Franchisor which accounts for the use of these funds no later than 15 days following the end of each calendar quarter If the Franchisee's lease requires it to advertise locally, the Franchisor may count such expenditures toward the Franchisee's local advertising expenditure required by this Section 12 4

The Franchisee shall obtain the Franchisor's prior written approval of all written advertising and promotional materials before publication

12 5 **Cooperative Advertising Programs** The Franchisor reserves the right, upon 60 days prior written notice to the Franchisee, to create a cooperative advertising association ("**Co-op**") for the benefit of SCOOTER'S COFFEE franchisees located within a particular geographic area If a Co-op is established for the area where the Franchisee is located, the Franchisee will be required to participate in the Co-op for the purpose of selecting and participating in regional marketing and promotion programs for SCOOTER'S COFFEE Stores The Franchisee will be required to remain a member of and will be bound by the decisions of the majority of the members of the Co-op regarding expenditures, assessments and dues of the Co-op, to the extent that they are approved by the Franchisor The Franchisor may allocate all or a portion of the Franchisee's Advertising Contribution to the Co-op The Franchisor may require the Franchisee to allocate all or a portion of the Local Advertising Allocation under Section 12 4 as a required advertising contribution to the Co-op

12 6 **Electronic Advertising** The Franchisee shall not develop, create, distribute, disseminate or use any Internet advertising or website, or any multimedia, telecommunication, mass electronic mail, facsimile or audio/visual advertising, promotional or marketing materials, directly or indirectly related to the SCOOTER'S COFFEE Store, the Marks or the System (**Electronic Advertising**"), without the Franchisor's prior written consent The Franchisor shall retain the exclusive right to develop and control the content of all Electronic Advertising for the SCOOTER'S COFFEE Stores The Franchisor reserves the right, upon 30 days' prior written notice, to require the Franchisee to participate in any Electronic Advertising of SCOOTER'S COFFEE Stores sponsored by the Franchisor Except as the Franchisor authorizes in writing, the Franchisee will not (1) link or frame the Franchisor's website, (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication), (3) create or register any Internet domain name in any connection with the Franchisee's Store, or (4) use any e-mail address which the Franchisor has not authorized for use in operating the Store The Franchisee will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar Further, the Franchisee may not engage in any Electronic Advertising or otherwise market, advertise or promote its SCOOTER'S COFFEE Store or conduct any business on the Internet, including using social and professional networking sites to promote the Store, except as provided in the Franchisor's written social media policy (if any) or with the Franchisor's prior written approval Any amounts that the Franchisee spends to participate in Electronic Advertising shall be credited toward the Franchisee's local advertising obligations

13 QUALITY CONTROL

13 1 **Compliance with Operations Manual** The Franchisee agrees to maintain and operate the SCOOTER'S COFFEE Store in compliance with this Agreement and the required standards and specifications contained in the Operations Manual, as the same may be modified from time to time by the Franchisor

13 2 **Standards and Specifications** The Franchisor will make available to the Franchisee required and recommended standards and specifications for services and products offered at or through the SCOOTER'S COFFEE Store and for equipment, furniture, fixtures, inventory, recipes, beverages, food, beverage and food preparation, paper products, employee attire, supplies, forms, advertising material and other items used in connection with the Store The Franchisor reserves the right to change standards and specifications for services and products offered at or through the SCOOTER'S COFFEE Store and for the equipment, furniture, fixtures, inventory, recipes, beverages, food, beverage and food preparation, paper products, employee attire, supplies, forms, advertising material and other items used in connection with

the Store, upon 30 days prior written notice to the Franchisee The Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of the Franchisor's required standards and specifications for the SCOOTER'S COFFEE Store as prescribed from time to time

13 3 **Inspections** The Franchisor shall have the right to examine the Franchised Location, including, without limitation, the inventory, products, equipment, materials or supplies, to ensure compliance with all standards and specifications set by the Franchisor The Franchisor shall conduct such inspections during regular business hours without prior notice to the Franchisee and such inspections may include, without limitation, the photographing or videotaping of the operations of the Store, the removal of reasonable samples of any products, materials or supplies for testing and analysis, the interviewing of personnel and customers and the inspection and copy of any books, records and documents relating to the operation of the Store

13 4 **Restrictions on Services and Products** The Franchisee is prohibited from offering or selling any services or products from or through the Store that have not been previously authorized by the Franchisor If the Franchisee desires to offer, conduct or utilize any services, products, materials, forms, items and supplies for use in connection with or sale through the SCOOTER'S COFFEE Store which are not approved by the Franchisor, the Franchisee shall first submit to Franchisor a written request for approval The Franchisor may grant or deny Franchisee's request for approval, however, in order to make such determination, the Franchisor may require submission of specifications, information, or samples of such services, products, materials, forms, items or supplies The Franchisor will advise the Franchisee within a reasonable time whether such products, supplies or services meet its specifications

13 5 **Approved Suppliers** The Franchisee shall purchase all equipment, products, services, supplies and materials required for the operation of the SCOOTER'S COFFEE Store licensed herein from manufacturers, suppliers or distributors designated by the Franchisor (which supplier may be the Franchisor or an affiliate of Franchisor) or, if there is no designated supplier for a particular product, service, supply or material, from such other suppliers who meet all of the Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply the Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation The Franchisor reserves the right to designate, from time to time, a single supplier for any services, products, equipment, supplies or materials, which single supplier may be Franchisor or an affiliate of Franchisor The Franchisor periodically may modify its lists of approved supplies and suppliers, and the Franchisee agrees to comply with such modified lists The Franchisor also reserves the right to derive revenue from purchases by the Franchisee from the Franchisor's designated suppliers THE FRANCHISOR AND ITS AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, RESPECTING PRODUCTS, EQUIPMENT (INCLUDING ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER ITEMS THAT FRANCHISOR MAY DISTRIBUTE OR THAT THIRD PARTIES APPROVED BY THE FRANCHISOR MANUFACTURE OR DISTRIBUTE FOR USE IN THE SYSTEM

13 6 **Request for Change of Supplier** In the event the Franchisee desires to purchase or lease any products, services, supplies or materials from manufacturers, suppliers or distributors other than those previously approved by the Franchisor, the Franchisee shall, prior to purchasing any such products, services, supplies or materials, give the Franchisor a written request to change supplier The Franchisor shall notify the Franchisee in writing of its approval or rejection of the proposed supplier within thirty days after Franchisor's receipt of Franchisee's written request The Franchisor may from time to time inspect any manufacturer's, supplier's, or distributor's facilities and products to assure proper production, processing, storing and transportation of products, services, supplies or materials to be purchased from the

manufacturer, supplier or distributor by the Franchisee Permission for such inspection shall be a condition of the continued approval of such manufacturer, supplier or distributor The Franchisor may, for any reason whatsoever, elect to withhold approval of the manufacturer, supplier or distributor, and the Franchisor may require that samples from a proposed new supplier be delivered to the Franchisor for testing prior to approval and use A charge not to exceed the actual cost of the test may be made by the Franchisor and shall be paid by the Franchisee

14 MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

14 1 Marks The Franchisee hereby acknowledges that the Franchisor has the sole right to license and control the Franchisee's use of the "SCOOTER'S COFFEE" Mark and other of the Marks, and that such Marks shall remain under the sole and exclusive ownership and control of the Franchisor and its affiliates The Franchisee acknowledges that it has not acquired any right, title or interest in the Marks except for the right to use the Marks in the operation of its SCOOTER'S COFFEE Store as it is governed by this Agreement The Franchisee shall display the Marks prominently at the SCOOTER'S COFFEE Store and on packaging and serving materials and in connection with forms, advertising and marketing, all in a manner as the Franchisor shall reasonably prescribe Except as may be permitted in the Operations Manual, the Franchisee agrees not to use any of the Marks as part of an electronic mail address or on any sites on the Internet or the World Wide Web and the Franchisee agrees not to use or register any of the Marks as a domain name on the Internet

14 2 No Use of Other Marks The Franchisee further agrees that no Mark other than 'SCOOTER'S COFFEE" or such other Marks as may be specified by the Franchisor shall be used in the marketing, promotion, identification or operation of the SCOOTER'S COFFEE Store, except with the Franchisor's prior written consent

14 3 System The Franchisee hereby acknowledges that the Franchisor owns and controls the distinctive plan for the establishment, operation and promotion of SCOOTER'S COFFEE Stores and all related licensed methods of doing business, previously defined as the "System," which include, but are not limited to, recipes, menu items, beverage and food preparation methods, technical restaurant equipment standards, order and take-out fulfillment methods, including drive-through access, customer data, customer relations, marketing techniques, written promotional materials and Operations Manual contents, advertising, and accounting systems, all of which constitute confidential trade secrets of the Franchisor, and the Franchisee acknowledges that the Franchisor has valuable rights in and to such trade secrets The Franchisee further acknowledges that it has not acquired any right, title or interest in the System, except for the right to use the System in the operation of the SCOOTER'S COFFEE Store as it is governed by this Agreement Additionally, the Franchisee must fully and promptly disclose to Franchisor all ideas, concepts, methods, techniques, improvements, additions and customer data relating to the development and/or operation of the SCOOTER'S COFFEE Store or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of a SCOOTER'S COFFEE Store, or any advertising or promotion ideas related to the SCOOTER'S COFFEE Store (collectively the ' **Improvements**") that Franchisee and/or its employees conceive or develop during the term of this Agreement Franchisee agrees to assign to Franchisor all rights to the Improvements without any obligation to Franchisee for royalties or other fees The Franchisee acknowledges that it is obligated to maintain the confidentiality of the System in accordance with Section 20 3 below

14 4 Mark Infringement The Franchisee agrees to notify the Franchisor in writing of any possible infringement or illegal use by others of a trademark the same as or confusingly similar to the Marks which may come to its attention The Franchisee acknowledges that the Franchisor shall have the right to determine whether any action will be taken on account of any possible infringement or illegal use The Franchisor may commence or prosecute such action in the Franchisor's own name and may join the

Franchisee as a party thereto if the Franchisor determines it to be reasonably necessary for the continued protection and quality control of the Marks and System The Franchisor shall bear the reasonable cost of any such action, including attorneys' fees, provided, however, that the Franchisor shall not be responsible for the Franchisee's attorneys' fees in the event the Franchisee elects to retain its own legal counsel The Franchisee agrees to fully cooperate with the Franchisor in any such litigation

14 5 Franchisee's Business Name The Franchisee acknowledges that the Franchisor has a prior and superior claim to the SCOOTER'S COFFEE trade name The Franchisee shall not use any of the words "SCOOTERS JAVA EXPRESS", "SCOOTER'S COFFEEHOUSE", "SCOOTER'S COFFEE", or ' SCOOTER'S COFFEE & YOGURT" in the legal name of its corporation, partnership or any other business entity used in conducting the business provided for in this Agreement The Franchisee also agrees not to register or attempt to register a trade name using the words "SCOOTERS JAVA EXPRESS", "SCOOTER'S COFFEEHOUSE", "SCOOTER'S COFFEE", or ' SCOOTER'S COFFEE & YOGURT" or any portions thereof in the Franchisee's name or that of any other person or business entity, without prior written consent of the Franchisor The Franchisee shall not identify itself as being "Scooter's Coffee, LLC" or as being associated with the Franchisor in any manner other than a franchisee or licensee The Franchisee further agrees that in all advertising and promotional materials it will display its business name only in obvious conjunction with the phrase a ' SCOOTER'S COFFEE Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the SCOOTER'S COFFEE Store, as may from time to time be prescribed in the Operations Manual

14 6 Change of Marks In the event the Franchisor shall determine it necessary to modify or discontinue use of any proprietary Marks, or to develop additional or substitute marks, the Franchisee shall, after receipt of written notice of such a modification or discontinuation from the Franchisor, take such action, at the Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution

15 REPORTS, RECORDS AND FINANCIAL STATEMENTS

15 1 Franchisee Reports The Franchisee shall establish and maintain at its own expense a bookkeeping and accounting system which conforms to the required specifications which the Franchisor may prescribe from time to time Each transaction of the Store shall be processed through the POS System in the manner prescribed by the Franchisor The Franchisor shall at all times have the right of access to the POS System and all data processed thereon with respect to the Store The Franchisee shall provide access to the Franchisor at any time by installing a DSL or other high speed Internet connection that meets the Franchisor's standards and specifications The Franchisee shall supply to the Franchisor financial and accounting reports in a manner and form as the Franchisor may reasonably require, including

a Weekly summary reports, in a form as may be prescribed by the Franchisor, submitted by no later than the Due Date each week (defined in Section 11 3 above) and containing information relative to the previous Reporting Period operations,

b Within 20 days after the end of each month, an income statement of the Store for such month and for the fiscal year to date, prepared in accordance with United States generally accepted accounting principles ("GAAP") consistently applied, in the Franchisor s recommended format,

c Within 90 days after the end of the Franchisee's fiscal year, which shall be the calendar year, an income statement and balance sheet of the Store for such fiscal year (reflecting all year-end adjustments), and a statement of changes in cash flow of the Store, prepared in

accordance with GAAP, consistently applied, and in the Franchisor's recommended format The Franchisor reserves the right to require that the Franchisee have reviewed financial statements prepared on an annual basis, and

d Any other data, information and supporting records reasonably requested by the Franchisor from time to time, including, without limitation, daily, weekly or monthly reports of inventory and sales by category

15 2 Financial Records Use The Franchisor reserves the right to disclose data derived from all financial and accounting reports received from the Franchisee, without identifying the Franchisee by name or by Store With respect to the operation and financial condition of the Store, the Franchisee agrees to furnish the Franchisor the financial and accounting reports required hereunder in a form reasonably prescribed by the Franchisor

15 3 Books and Records The Franchisee shall maintain all books and records for its SCOOTER'S COFFEE Store in accordance with GAAP, consistently applied, and preserve these records, including cash register tapes, shift reports, weekly operating summaries and sales tax returns, for at least five years after the fiscal year to which they relate

15 4 Audit of Books and Records The Franchisee shall permit the Franchisor to inspect and audit the books and records of the SCOOTER'S COFFEE Store at any reasonable time, at the Franchisor's expense If any audit discloses a deficiency in amounts for payments owed to the Franchisor pursuant to this Agreement, then such amounts shall become immediately payable to the Franchisor by the Franchisee, with interest from the date such payments were due at the lesser of 1½ % per month or the maximum rate allowed by law In addition, if it is found by such audit that the Gross Sales of the SCOOTER'S COFFEE Store have been understated by 3% or more during the period audited, the Franchisee shall pay all reasonable costs and expenses the Franchisor incurred in connection with such audit

15 5 Failure to Comply with Reporting Requirements If the Franchisee fails to prepare and submit any statement or report as required under this Article 15, then the Franchisor shall have the right to treat the Franchisee's failure as good cause for termination of this Agreement In addition to all other remedies available to the Franchisor, in the event that the Franchisee fails to prepare and submit any statement or report required under this Article 15 for two consecutive Reporting Periods, the Franchisor shall be entitled to make an audit, at the expense of the Franchisee, of the Franchisee's books, records and accounts, including the Franchisee's bank accounts, which in any way pertain to the Gross Sales of the SCOOTER'S COFFEE Store The statements or reports not previously submitted shall be prepared by or under the direction and supervision of an independent certified public accountant selected by the Franchisor

16 TRANSFER

16 1 Transfer by Franchisee The franchise granted herein is personal to the Franchisee, and except as stated below, the Franchisee shall not allow or permit or purport to allow or permit any transfer, assignment, subfranchise or conveyance of this Agreement or any interest hereunder without the Franchisor's prior written consent The Franchisee acknowledges that prior to approving any transfer, the Franchisor may impose reasonable conditions on the Franchisee and its purported transferee, including but not limited to, those conditions listed in Section 16 2 As used in this Agreement, the term "transfer" includes the Franchisee's voluntary, involuntary, direct or indirect assignment, sale, gift, encumbrance or other disposition of any interest in (1) this Agreement, (2) the ownership of the Franchisee entity, (3) the SCOOTER'S COFFEE Store governed by this Agreement, or (4) all or any assets of the SCOOTER'S

COFFEE Store, including any real estate, land and/or building on which the Store is located A transfer resulting from a divorce, insolvency, corporate or partnership dissolution proceeding, change of control, or otherwise by operation of law or, in the event of the death of the Franchisee, or an owner of the Franchisee by will, declaration of or transfer in trust or under the laws of intestate succession will also be included in the definition of a "transfer "

16 2 Pre-Conditions to Franchisee's Transfer The Franchisee shall not engage in a transfer unless the Franchisee obtains the Franchisor's written consent, and the Franchisee and the proposed transferee comply with the following requirements

a Payment of all amounts due and owing pursuant to this Agreement by the Franchisee to the Franchisor or its affiliates or to third parties holding a security interest in any asset of the Store,

b Agreement by the proposed transferee to satisfactorily complete the initial training program described in this Agreement, which training may be completed by the transferee either prior to or immediately after the transfer occurs, at the Franchisor's option,

c Execution of a franchise agreement in a form then currently offered by the Franchisor, which shall supersede this Agreement in all respects If a new franchise agreement is signed, the terms thereof may differ from the terms of this Agreement, provided, however, the transferee will not be required to pay any additional initial franchise fee,

d Franchisee must provide written notice to the Franchisor 30 days' prior to the proposed effective date of the transfer, such notice to contain information reasonably detailed to enable the Franchisor to evaluate the terms and conditions of the proposed transfer,

e The proposed transferee shall have provided information to the Franchisor sufficient for the Franchisor to assess the proposed transferee's business experience, aptitude and financial qualification, and the Franchisor shall have ascertained that the proposed transferee meets such qualifications,

f The Franchisee and all owners, directors and officers of Franchisee shall execute a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor, its affiliates and their respective officers, directors, employees and agents,

g If the Store which is the subject of the transfer is operated using any SCOOTERS JAVA EXPRESS signage, all such signage shall be removed and replaced with SCOOTER'S COFFEE signage meeting the Franchisor's then current standards and specifications,

h The interior of the Store which is the subject of the transfer shall be updated or remodeled to meet the Franchisor's then current standards and specifications for Store interiors,

i The Franchisee or the proposed transferee pays a transfer fee in an amount equal to $8,000 for each SCOOTER'S COFFEE Store being transferred, and

j The Franchisee agrees to abide by all post-termination obligations, including the post-termination covenant not to compete set forth in Section 20 2 below

16 3 Franchisor's Approval of Transfer The Franchisor has 30 days from the date of the written notice and receipt of all other information requested by Franchisor to approve or disapprove, in writing,

the Franchisee's proposed transfer The Franchisee acknowledges that Franchisor shall evaluate the proposed transferee for approval based on the same criteria being used at the time of evaluation to assess new franchisees of the Franchisor, and that such proposed transferee shall be provided, if appropriate, with such disclosures as may be required by state or federal law The Franchisor shall have the right to approve the material terms and conditions of the transfer, including, without limitation, the right to confirm that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Store If the Franchisee (and/or the transferring owners) finances any part of the sale price of the transferred interest, if any, unless waived in writing by the Franchisor, the Franchisee and/or its owners must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by the Franchisee or its owners in the assets of the Store or the Franchised Location shall be subordinate to the transferee's obligations to pay Royalties, Advertising Contributions, inventory payments or amounts due to the Franchisor and its affiliates and to otherwise comply with this Agreement If the Franchisee and its proposed transferee comply with all conditions for transfer set forth herein and the Franchisor has not given the Franchisee notice of its approval or disapproval within such period, approval is deemed granted

16 4 Right of First Refusal In the event the Franchisee wishes to engage in a transfer, the Franchisor shall have a 30-day right of first refusal to purchase the rights, interest or assets proposed to be transferred on the same terms and conditions as are contained in the written offer to purchase submitted to the Franchisee by the proposed purchaser/transferee, provided, however, the following additional terms and conditions shall apply

a The Franchisee shall notify the Franchisor of such offer by sending a written notice to the Franchisor (which notice may be the same notice as required by Section 16 2 d above), enclosing a copy of the written offer from the proposed transferee,

b The 30 day right of first refusal period will run concurrently with the period in which the Franchisor has to approve or disapprove the proposed transferee,

c Such right of first refusal will be effective for each proposed transfer and any material change in the terms or conditions of the proposed transfer shall be deemed a separate offer on which a new 30 day right of first refusal shall be given to the Franchisor,

d If the consideration or manner of payment offered by a proposed transferee is such that the Franchisor may not reasonably be required to furnish the same, then the Franchisor may purchase the interest which is proposed to be sold for the reasonable cash equivalent If the parties cannot agree within a reasonable time on the cash consideration, an independent appraiser shall be designated by the Franchisor, whose determination will be binding upon the parties All expenses of the appraiser shall be paid for equally by the Franchisor and the Franchisee, and

e If the Franchisor chooses not to exercise its right of first refusal, the Franchisee shall be free to complete the transfer subject to compliance with Sections 16 2 and 16 3 above, provided the transfer must be completed within 180 days of Franchisor's decision to not exercise its right of first refusal If the transfer is not completed within 180 days, then the transfer will be deemed a new offer on which a new 30 day right of first refusal shall be given to the Franchisor Absence of a reply to the Franchisee's notice of a proposed transfer within the 30-day period is deemed a waiver of such right of first refusal

16 5 Application of Right of First Refusal Types of Transfers The Franchisor's right of first refusal to purchase, as set forth above, shall not apply if the Franchisee is an individual, to the transfer from such individual to a corporation controlled by him or her, in which case the Franchisor's approval

will be conditioned upon (i) the continuing personal guarantee of the individual (or individuals) for the performance of obligations under this Agreement, and (ii) a limitation on the corporation's business activity to that of operating the SCOOTER'S COFFEE Store and related activities

16 6 Assignment by the Franchisor This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same

16 7 Franchisee's Death or Disability Upon the death or permanent disability of the Franchisee or an individual controlling the Franchisee entity, the executor, administrator, conservator, guardian or other personal representative of such person shall transfer the Franchisee s interest in this Agreement or such interest in the Franchisee entity to an approved third party Such disposition of this Agreement or such interest (including, without limitation, transfer by bequest or inheritance) shall be completed within a reasonable time, not to exceed 120 days from the date of death or permanent disability, and shall be subject to all terms and conditions applicable to transfers contained in this Article 16, provided, however, that for purposes of this Section 16 7, there shall be no transfer fee or initial training program fee charged by the Franchisor Failure to transfer the interest in this Agreement or such interest in the Franchisee entity within said period of time shall constitute a breach of this Agreement For the purposes hereof, the term 'permanent disability" shall mean a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent the Franchisee or the individual controlling the Franchisee entity from supervising the management and operation of the SCOOTER'S COFFEE Store for a period of 120 days from the onset of such disability, impairment or condition

17 TERM AND EXPIRATION

17 1 Term The initial term of this Agreement is for a period of 10 years from the date of this Agreement, unless sooner terminated as provided herein

17 2 Rights Upon Expiration At the end of the initial term hereof the Franchisee shall have the option to renew its franchise rights for one additional 10 year term, if the Franchisor does not decline to offer a successor franchise in accordance with Section 17 4 below and if the Franchisee

a At least 30 days prior to expiration of the term, executes the form of franchise agreement then in use by the Franchisor,

b Has complied with all provisions of this Agreement during the current term, including the payment on a timely basis of all Royalties and other fees due hereunder,

c Is not, at the time it gives written notice to the Franchisor in accordance with Section 17 3 below, in default or under notification of breach of this Agreement,

d Upgrades and/or remodels the SCOOTER'S COFFEE Store and its operations at the Franchisee's sole expense to conform with the then current Operations Manual,

e Executes a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement, and

f Pays a successor franchise renewal fee of $10,000 or 25% of the then current Initial Franchise Fee, whichever is greater

17 3 **Exercise of Option for Successor Franchise** The Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to the Franchisor not earlier than one year nor later than 180 days prior to the scheduled expiration of this Agreement, and such successor franchise rights shall become effective when the Franchisee signs the then current Franchise Agreement, which agreement may contain terms materially different from those in this Agreement

17 4 **Conditions of Refusal** The Franchisor shall not be obligated to offer the Franchisee a successor franchise upon the expiration of this Agreement if the Franchisee fails to comply with any of the above conditions of renewal In such event (except for failure to execute the then current Franchise Agreement or pay the successor franchise fee), the Franchisor shall give notice of expiration at least 90 days prior to the expiration of the term (or such longer notice as required by applicable law), and such notice shall set forth the reasons for such refusal to offer successor franchise rights Upon the expiration of this Agreement, the Franchisee shall comply with the provisions of Section 18 4 below

18 DEFAULT AND TERMINATION

18 1 **Termination by Franchisor - Effective Upon Notice** Franchisor may terminate this Agreement as permitted by the terms of this Agreement and applicable law To the extent that applicable law requires a longer notice period for termination than those set forth in this Agreement, such longer period established by such law shall control, notwithstanding anything to the contrary herein Subject to the foregoing, the Franchisor shall have the right, at its option, to immediately terminate this Agreement and all rights granted the Franchisee hereunder, without affording the Franchisee any opportunity to cure, effective upon Franchisee's receipt of notice of termination upon the occurrence of any of the following events

a **Unauthorized Disclosure** If the Franchisee or any person under the Franchisee's control intentionally or negligently discloses to any unauthorized person, or copies or reproduces, the contents of or any part of the Franchisor's Operations Manual, any customer lists and data or any other trade secrets or confidential information of the Franchisor,

b **Abandonment** If the Franchisee ceases to operate the SCOOTER'S COFFEE Store or otherwise abandons the SCOOTER'S COFFEE Store for a period of five consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the SCOOTER'S COFFEE Store, unless and only to the extent that full operation of the SCOOTER'S COFFEE Store is suspended or terminated due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee,

c **Insolvency, Assignments** If the Franchisee becomes insolvent or is adjudicated a bankrupt, or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U S C §§ 101 et seq), or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee,

d **Unsatisfied Judgments, Levy, Foreclosure** If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed), or if execution is levied against the Franchisee's business or any of the property used in the operation of the SCOOTER'S COFFEE Store and is not discharged within five days, or if the real or personal property of the Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable,

e **Criminal Conviction** If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the System, Marks, and the associated goodwill and reputation thereof,

f **Failure to Make Payments** If the Franchisee fails to pay any amounts due the Franchisor or affiliates within 10 days after receiving notice that such fees or amounts are overdue,

g **Misuse of Marks** If the Franchisee misuses or fails to follow the Franchisor's standards and specifications concerning use of the Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from the Franchisor,

h **Repeated Noncompliance** If the Franchisee has received three notices of default from the Franchisor within a 12-month period, regardless of whether the defaults were cured by the Franchisee,

i **Unauthorized Transfer** If the Franchisee sells, transfers or otherwise assigns the franchise, an interest in the franchise or the Franchisee entity, this Agreement, the SCOOTER'S COFFEE Store or all or any of the assets of the SCOOTER'S COFFEE Store owned by the Franchisee without complying with the provisions of Article 16 above,

j **Health or Safety Violations** If Franchisee is found to be in violation of any applicable health, safety, sanitation or handicapped access laws, regulations or codes, by any governmental official, and fails to cure any such violation within 72 hours after receiving notice thereof,

k **Deceptive Practices** The Franchisee engages in any unauthorized business or practice or sells any unauthorized products or services under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks,

l **Failure to Pay Taxes** The Franchisee fails to pay any taxes in accordance with Section 10 1 e of this Agreement,

m **Misrepresentations and Omissions** If Franchisee intentionally under-reports Gross Sales, falsifies financial data, or otherwise commits an act of fraud with respect to the acquisition of a SCOOTER'S COFFEE franchise or its rights or obligations under this Agreement,

n **Default of Other Material Agreements** If the Franchisee (i) loses the right to occupy the Store's premises because of a default under the Franchisee's lease, (ii) defaults under any other agreement related to use or operation of the Store, or (iii) defaults under the terms of any other franchise agreement or other agreement between Franchisor and Franchisee (or an affiliate of Franchisee) and fails to cure such default under any applicable cure period,

o **Failure to Complete Initial Training Program** If the Franchisee fails to complete the initial training program to the Franchisor's satisfaction, or

p **Failure to Secure the Franchised Location or Commerce Operation** If the Franchisee fails to find a site for the Franchised Location that we approve, sign a lease for the

Franchised Location, or commence operation of the Store by the deadlines outlined in this Agreement

18 2 Termination by Franchisor - Thirty Days Notice The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days' written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement, including but not limited to, if the Franchisee fails to comply with the Operations Manual, and fails to cure the default during such 30-day period In that event, this Agreement will terminate without further notice to the Franchisee Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, as determined by Franchisor, the Franchisor may give Franchisee an additional reasonable period of time to cure the same, and this Agreement shall not terminate

18 3 Right to Purchase If this Agreement expires or is terminated for any reason, the Franchisor has the option, upon sixty (60) days' written notice from the date of expiration or termination, to purchase from the Franchisee all of the tangible and intangible assets relating to the Franchisee's SCOOTER'S COFFEE Store (excluding any unsalable inventory, cash, short-term investments and accounts receivable) (collectively, the 'Purchased Assets") and to obtain an assignment of your lease for (1) the Franchised Location (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the SCOOTER'S COFFEE Store The Franchisor may assign this option to purchase and assignment of leases separate and apart from the remainder of this Agreement

The purchase price for the SCOOTER S COFFEE Store will be the "Book Value" (as defined below) of the Purchased Assets 'Book Value" means the net book value of the Purchased Assets, as disclosed in the financial and accounting reports Franchisee provided to Franchisor under Section 15 1 before termination or expiration, provided, however, that (1) each depreciable asset will be valued on a 'straight-line" basis without provision for salvage value, (2) Franchisor may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement, and (3) Franchisor may exclude from Book Value any provision for goodwill or similar value attributable to intangible property If Franchisor is not satisfied with the accuracy or fairness of any financial statements, or none has been submitted, an appraiser designated by Franchisor will determine the Book Value Franchisor and Franchisee will equally bear the cost of the audit The results of the audit will be final and binding on both parties

The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur no later than sixty (60) days after the Franchisor delivers notice of its election to purchase the SCOOTER'S COFFEE Store, unless Book Value is determined by audit, in which case the closing will occur within a reasonable time, not to exceed sixty (60) days, after the results of the audit are made available At the closing, Franchisee will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to Franchisor or its designee and such other documents Franchisor may reasonably request to permit it to operate the SCOOTER'S COFFEE Store without interruption Franchisor may set off against and reduce the purchase price by all amounts Franchisee owes to Franchisor or any of its affiliates If Franchisor exercises its option to purchase, Franchisor may, pending the closing, appoint a manager to maintain operation of the SCOOTER'S COFFEE Store

The Franchisor and the Franchisee agree that the terms and conditions of this right and option to purchase may be recorded, if deemed appropriate by the Franchisor, in the real property records and the

Franchisor and the Franchisee further agree to execute such additional documentation as may be necessary and appropriate to effectuate such recording

In the event that the Franchisor does not exercise the Franchisor's right to purchase the Franchisee's SCOOTER'S COFFEE Store as set forth above, the Franchisee will be free to keep or to sell, after such termination or expiration, to any third party, all of the physical assets of its SCOOTER'S COFFEE Store, provided, however, that all appearances of the Marks are first removed in a manner approved in writing by the Franchisor The Franchisor will only be obligated to purchase any assets of the SCOOTER'S COFFEE Store in the event and to the extent it is required by applicable state or federal law

18 4 Obligations of Franchisee Upon Termination or Expiration The Franchisee is obligated upon termination or expiration of this Agreement to immediately

a Pay to the Franchisor all Royalties, Advertising Contributions, other fees, and any and all amounts or accounts payable then owed the Franchisor or its affiliates pursuant to this Agreement, or pursuant to any other agreement between the parties,

b Cease to identify itself as a SCOOTER'S COFFEE franchisee or publicly identify itself as a former Franchisee or use any Marks, trade secrets, signs, symbols, devices, trade names, or other materials of the Franchisor,

c Cease to identify the Franchised Location as being, or having been, associated with the Franchisor, de identify the premises of the Franchised Location as required by Franchisor, and immediately cease using any proprietary mark of the Franchisor or any mark in any way associated with the Marks and System,

d Deliver to the Franchisor all signs, sign-faces, advertising materials, forms and other materials bearing any of the Marks or otherwise identified with the Franchisor and obtained by and in connection with this Agreement,

e Deliver to the Franchisor the Operations Manual and all other information, documents and copies thereof which are proprietary to the Franchisor,

f Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of the Franchisor or, at the option of the Franchisor, assign the same to the Franchisor,

g Notify the telephone company and all telephone directory publishers of the termination or expiration of the Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and to authorize the transfer thereof to the Franchisor or its designee The Franchisee acknowledges that, as between the Franchisee and the Franchisor, the Franchisor has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers and directory listings associated with any Mark The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any of its officers as the Franchisee's attorney-in fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, telecopy or facsimile machine numbers and directory listings relating to the SCOOTER'S COFFEE Store to the Franchisor or its designee, should the Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive of the

Franchisor's exclusive rights in such telephone numbers and directory listings and the Franchisor's authority to direct their transfer, and

h Abide by all restrictive covenants set forth in Article 20 of this Agreement

All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire

18 5 Acknowledgement In the event this Agreement is terminated by the Franchisor prior to its expiration as set forth in Sections 18 1 or 18 2 above, the Franchisee acknowledges and agrees that, in addition to all other available remedies, the Franchisor shall have the right to recover lost future Royalties during any period in which the Franchisee fails to pay such Royalties through and including the remainder of the then current term of this Agreement

18 6 State and Federal Law The parties acknowledge that in the event that the terms of this Agreement regarding termination or expiration are inconsistent with applicable state or federal law, such law shall govern the Franchisee's rights regarding termination or expiration of this Agreement

19 BUSINESS RELATIONSHIP

19 1 Independent Businesspersons It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever Further, neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor

19 2 Payment of Third Party Obligations The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the SCOOTER'S COFFEE Store or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor)

19 3 Indemnification The Franchisee shall at all times defend, indemnify, and hold harmless to the fullest extent permitted by law the Franchisor, its subsidiaries, affiliates, successors and assigns, and their respective shareholders, directors, officers, employees, agents, and representatives, and all others (the "**Indemnified Parties**") against, and to reimburse them for all losses, expenses and fines incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry, or any settlement thereof which arises out of or is based upon or related to this Agreement, the operation of Franchisee's SCOOTER'S COFFEE Store, the activities conducted under this Agreement, the Franchisee's or Franchisee's employees' actions or inactions, or the Franchisee's failure to comply with any applicable laws or regulation, including all food safety and menu labeling laws For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert-witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses The Franchisor shall have the

right to defend any such claim against it This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

20 RESTRICTIVE COVENANTS

20 1 Non-Competition During Term The Franchisee acknowledges that, in addition to the license of the Marks hereunder, the Franchisor has also licensed commercially valuable information which comprises and is a part of the System, including without limitation, operations, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of the Franchisor using the Marks and System The Franchisee therefore agrees that other than in connection with the SCOOTER'S COFFEE Store licensed herein, neither the Franchisee nor any of the Franchisee's officers, directors, shareholders or partners, nor any spouse of the Franchisee or any of these individuals shall, during the term of this Agreement

a have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below,

b perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, or

c divert or attempt to divert any business related to, or any customer or account of, the SCOOTER'S COFFEE Store, the Franchisor's business or any other SCOOTER'S COFFEEHOUSE, SCOOTER'S COFFEE, SCOOTER'S COFFEE & YOGURT or SCOOTERS JAVA EXPRESS franchisee's business, by direct inducement or otherwise, or diverting or attempting to divert the employment of any employee of the Franchisor or another franchisee licensed by the Franchisor to use the Marks and System, to any Competitive Business by any direct inducement or otherwise

Franchisee shall be liable to Franchisor for any breach of this covenant by Franchisee, or its officers, directors, shareholders, or partners, or any spouse of the Franchisee or any of the aforementioned individuals

The term 'Competitive Business" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a food service business deriving more than 20% of its gross receipts from the sale of espresso-based drinks, specialty coffee, or smoothies, provided, however, the Franchisee shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding

20 2 Post-Termination Covenant Not to Compete Upon termination or expiration of this Agreement for any reason, or the transfer by Franchisee of its rights under this Agreement, the Franchisee and its officers, directors, shareholders, partners and/or equivalents agree that, for a period of 2 years commencing on the effective date of termination or expiration, or the date on which the Franchisee ceases to conduct business, whichever is later, neither the Franchisee nor its officers, directors, shareholders, partners and/or equivalents shall have any direct or indirect interest (through a spouse of the Franchisee or any of these named individuals or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, defined in Section 20 1 above, located or operating within a 10 mile radius of the former Franchised Location or within a 10 mile radius of any other SCOOTER'S COFFEEHOUSE, SCOOTER'S COFFEE, SCOOTER S COFFEE & YOGURT or SCOOTERS JAVA EXPRESS

franchised or company-owned Store in operation at the time of termination or expiration The restrictions of this Section 20 2 shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding The Franchisee and its officers, directors, shareholders, and/or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, the Franchisee acknowledges that enforcement of the covenants made in this Section 20 2 will not deprive them of their personal goodwill or ability to earn a living

20 3 Confidentiality of Proprietary Information The Franchisee shall treat all information it receives which comprises or is a part of the System licensed hereunder as proprietary and confidential and will not use such information in an unauthorized manner or disclose the same to any unauthorized person without first obtaining the Franchisor's written consent Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain confidential information in limited circumstances, as specified in the Operations Manual The Franchisee acknowledges that the Marks and the System have valuable goodwill attached to them, that the protection and maintenance thereof is essential to the Franchisor and that any unauthorized use or disclosure of the Marks and System will result in irreparable harm to the Franchisor

20 4 Confidentiality/Noncompete Agreement The Franchisee agrees to cause each of its officers, directors, partners, shareholders, and Designated Manager, and, if applicable, the spouse of the Franchisee and any of the aforementioned individuals, to execute a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by the Franchisor

21 INSURANCE

21 1 Insurance Coverage Throughout the entire term, the Franchisee shall procure, maintain and provide evidence of insurance for the Store and its equipment and operations, of the types, in the amounts, and with such terms and conditions as the Franchisor may from time to time reasonably prescribe Such insurance is in addition to any other insurance that may be required by applicable law, your landlord, or otherwise The minimum initial insurance requirements, which shall be effective from the time of execution of this Agreement until modified as provided in this Section 21, are as follows

a Commercial general liability insurance (including bodily injury, property damage, products, completed operations', independent contractors', and advertising liability coverage) on an occurrence basis which provides minimum single limit protection of at least one million dollars ($1,000,000) per occurrence, two million dollars ($2,000,000) aggregate,

b Property and casualty insurance coverage insuring Franchisee's inventory, equipment, construction of Franchisee's improvements, and Franchisee's completed Store for the full replacement value,

c Workers' compensation insurance in accordance with the legal requirements of the state where Franchisee operates its Franchised Business,

d Employer's liability insurance on an occurrence basis which provides protection of at least five hundred thousand dollars ($500,000) Bodily Injury by Accident, each Accident, five hundred thousand dollars ($500,000) Bodily Injury by Disease, each employee, and five hundred thousand dollars ($500,000) Bodily Injury by Disease, policy limit, to cover all Franchisee's employees, and

c Automobile liability insurance to cover all owned, non-owned, and hired vehicles in the amount of at least one million dollars ($1,000,000) combined single limit

All policies and certificates must name Franchisor and its officers, directors, partners, members, affiliates, subsidiaries and employees as additional insured parties of all of the policies The Franchisor reserves the right to require the Franchisee to obtain insurance from a designated carrier

21 2 Proof of Insurance Coverage At least 30 days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least 30 days prior to the expiration of any such policy, Franchisee shall deliver to Franchisor, certificates of insurance, endorsements, insurance declarations and/or other documents requested by Franchisor, evidencing the proper coverage with limits not less than those required by Franchisor All certificates shall expressly provide that no less than 30 days' prior written notice shall be given Franchisor in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates If Franchisee fails to obtain the required insurance or to provide evidence reasonably satisfactory to Franchisor of the insurance policies required by this Agreement, Franchisor shall obtain such required policies on Franchisee's behalf, and Franchisee agrees that it will promptly reimburse Franchisor for all costs related to obtaining such policies upon notice from Franchisor

21 3 Modification of Insurance Requirements The Franchisor has the right to change the minimum amount of insurance the Franchisee is required to maintain at any time

21 4 Noncompliance Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement, and in the event of any lapse in insurance coverage, in addition to all other remedies, the Franchisor shall have the right to demand that the Franchisee cease operations of the SCOOTER'S COFFEE Store until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to the Franchisee

22 ARBITRATION

22 1 Arbitration Except for controversies, disputes or claims related to or based on the Marks, the enforcement of covenants not to compete or any lease of real estate, all controversies, disputes or claims between Franchisor, its subsidiaries and affiliated companies and their shareholders, officers, directors, agents, employees and attorneys (in their representative capacity) and the Franchisee (and its owners and guarantors, if applicable) arising out of or related to (1) this Agreement or any other agreement between the parties or any provision of such agreements, (2) the relationship of the parties hereto, (3) the validity of this Agreement or any other agreement between the parties or any provision of such agreements, or (4) any System standard shall be submitted for binding arbitration to the Omaha, Nebraska, Office of the American Arbitration Association on demand of either party Such arbitration proceedings shall be conducted in Omaha, Nebraska, and shall be heard by one arbitrator in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association, or the rule of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision

The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award or include in the award any relief the arbitrator deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorneys' fees and costs, in accordance with Section 24 6 of this Agreement, provided that the arbitrator shall not award exemplary or punitive damages The decision of the arbitrator will be final and binding on all parties, provided, however, the arbitrator may not under any circumstances (1) stay the effectiveness of any pending termination of this Agreement, (2) assess

punitive or exemplary damages, or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Franchisor Each party waives any right to contest the validity or enforceability of such award The parties shall be bound by the provisions of any applicable limitation on the period of time by which claims must be brought under applicable law or this Agreement, whichever is less In connection with any such arbitration proceeding, each party shall file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days after the date of the filing of the claim to which it relates This provision shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

Arbitration shall be conducted on an individual, not a class wide, basis and an arbitration proceeding between the Franchisor and the Franchisee shall not be consolidated with any other arbitration proceeding involving the Franchisor and any other person, corporation or partnership

22 2 **Injunctive Relief** Notwithstanding anything to the contrary contained in Section 22 1 of this Agreement, the Franchisor and the Franchisee shall each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction The Franchisor shall have the right to obtain such temporary or preliminary injunctive relief, without posting a bond or bonds totaling more than $500, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby) Any such action shall be brought as provided in Section 22 3 below

22 3 **Governing Law/Consent to Jurisdiction/ Waiver of Jury Trial** All disputes to be arbitrated by Franchisor and Franchisee shall be governed by the Federal Arbitration Act and no procedural arbitration issues are to be resolved pursuant to any state statutes, regulations or common law Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq), the Federal Arbitration Act or other federal law, this Agreement shall be interpreted under the laws of the state of Nebraska and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Nebraska, which laws shall prevail in the event of any conflict of law The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship Therefore, if a claim is asserted in any arbitration or legal proceeding involving the Franchisee, its employees, officers or directors (collectively, "Franchisee Affiliates") and the Franchisor, its employees, officers, or directors (collectively, "Franchisor Affiliates") the exclusive venue for disputes between them shall be in the state and federal courts of Nebraska or the Omaha, Nebraska, office of the American Arbitration Association and each party shall waive any objection either may have to the personal jurisdiction of or venue in the state and federal courts of Nebraska or the Omaha, Nebraska, office of the American Arbitration Association Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury

22 4 **Waiver of Damages/Waiver of Jury Trial** Franchisee, Franchisor and its affiliates agree to waive, to the fullest extent permitted by law, the right to or a claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between us, each will be limited to the recovery of actual damages sustained by it

23 SECURITY INTEREST

23 1 **Collateral** The Franchisee hereby grants the Franchisor a security interest ("**Security Interest**") in all of the Franchisee's inventory, general intangibles, furniture, fixtures, equipment, signage, vehicles, intellectual property (including trademarks, copyrights, patents and goodwill associated therewith),

accounts, rights to payment, contract rights, realty (including the Franchisee's interests under all real property and personal property leases), bonds, licenses, permits, and books and records related to any of the foregoing, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds and products thereof, wherever located and used in connection with the franchise All items in which a security interest is granted hereby are referred to as the "Collateral "

23 2 **Indebtedness Secured** The Security Interest is to secure payment of the following (the '**Indebtedness**")

a All amounts due under this Agreement or otherwise owed by the Franchisee to Franchisor or any of its affiliates, regardless of the nature of the obligation,

b All sums which the Franchisor may, at its option, expend or advance for the maintenance, preservation and protection of the Collateral, including without limitation, payment of rent, taxes, levies, assessments, insurance premiums and discharge of liens, together with interest, or in any other property given as security for payment of the Indebtedness,

c All expenses, including reasonable attorneys' fees, which the Franchisor incurs in connection with collection of any or all Indebtedness secured hereby or in enforcement or protection of its rights under the Security Interest and this Agreement, and

d All other present or future, direct or indirect, absolute or contingent, liabilities, obligations and indebtedness of the Franchisee to the Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement whether or not the Franchisee executes any extension agreement or renewal instruments

23 3 **Additional Documents** The Franchisee will from time to time as required by the Franchisor join with the Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions or modifications thereof) in form satisfactory to the Franchisor

23 4 **Possession of Collateral** Upon default and termination of the Franchisee's rights hereunder, the Franchisor shall have the immediate right to possession and use of the Collateral

23 5 **Remedies of Franchisor in Event of Default** Franchisee agrees that upon the occurrence of any breach of this Agreement, the full amount remaining unpaid on the Indebtedness shall, at the option of Franchisor and without notice, become due and payable forthwith, and Franchisor shall then have the rights, options, duties and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under, the Uniform Commercial Code of Nebraska, including without limitation Franchisor's right to take possession of the Collateral and of anything found therein, and the right without legal process to enter any premises where the Collateral may be found, and to remove peaceably any and all of the Collateral from Debtor's premises, custody or control Any sale of the Collateral may be conducted in the Franchisor's sole discretion, and the conduct of such sale is agreed to be commercially reasonable Reasonable notification of the time and place of any sale shall be satisfied by mailing notice to Franchisee pursuant to the notice provisions set forth below

23 6 **Special Filing as Financing Statement** This Agreement shall be a deemed a Security Agreement and a Financing Statement This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated, and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of

those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code, as then in effect in the appropriate jurisdiction Franchisee must cooperate in signing any forms or documents needed to file or record this Agreement

24 MISCELLANEOUS PROVISIONS

24 1 Modification The Franchisor and/or the Franchisee may modify this Agreement only upon execution of a written agreement between the two parties The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent in which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the System, but under no circumstances will such modifications be made arbitrarily without such determination

24 2 Entire Agreement This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof No modifications of this Agreement shall be effective except those in writing and signed by both parties Nothing in this or in any related agreement, however, is intended to disclaim the representations the Franchisor made in the franchise disclosure document that it furnished to Franchisee

24 3 Delegation by the Franchisor From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or Area Representatives or independent contractors which the Franchisor has contracted with to provide such services The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations hereunder

24 4 Effective Date This Agreement shall not be effective until accepted by the Franchisor as evidenced by dating and signing by an officer of the Franchisor

24 5 Review of Agreement The Franchisee acknowledges that it had a copy of the Franchisor's Franchise Disclosure Document and this Agreement in its possession for a period of time not less than fourteen (14) calendar days, during which time the Franchisee has had the opportunity to submit same for professional review and advice of the Franchisee's choosing prior to freely executing this Agreement

24 6 Attorneys' Fees The nonprevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement

24 7 No Waiver No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by the Franchisor or the Franchisee shall be considered to imply or constitute a further waiver by the Franchisor or the Franchisee of the same or any other condition, covenant, right, or remedy

24 8 No Right to Set Off The Franchisee shall not be allowed to set off amounts owed to Franchisor for Royalties, fees or other amounts due hereunder, against any monies owed to Franchisee, which right of set off is hereby expressly waived by the Franchisee

24 9 Invalidity If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally

included The remaining provisions of this Agreement shall not be affected by such invalidity or modification

24 10 Notices All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the first paragraph of this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time, and shall be effectively given when deposited in the United States mails, postage prepaid, or when received via overnight delivery, as may be applicable

24 11 Franchisor Business Judgment The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties

1 Our Rights Whenever this Agreement provides that the Franchisor has a certain right, that right is absolute and the parties intend that the Franchisor's exercise of that right will not be subject to any limitation or review The Franchisor has the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement

2 Our Reasonable Business Judgment Whenever the Franchisor reserves discretion in a particular area or where the Franchisor agrees or is required to exercise its rights reasonably or in good faith, the Franchisor will satisfy its obligations whenever it exercises "reasonable business judgment" in making its decision or exercising its rights A decision or action by the Franchisor will be deemed to be the result of "reasonable business judgment," even if other reasonable or even arguably preferable alternatives are available, if the Franchisor's decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of the Franchisor's individual interests Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System Neither Franchisee nor any third party (including a trier of fact) will substitute their judgment for the Franchisor's reasonable business judgment

24 12 Notice of Potential Profits The Franchisor advises Franchisee that Franchisor and/or its affiliates periodically may make available to Franchisee goods, products and/or services for use in the SCOOTER'S COFFEE Store, on the sale of which the Franchisor and/or its affiliates may make a profit Franchisor further advises Franchisee that Franchisor and its affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to Franchisee or in consideration for services provided or rights licensed to such persons Franchisee agrees that Franchisor and its affiliates will be entitled to such profits and consideration

24 13 Force Majeure If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances Such causes include strikes, wars, riots, civil commotion, and acts of government, except as may be specifically provided for elsewhere in this Agreement

24 14 Acknowledgement BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL THE FRANCHISEE ACKNOWLEDGES THAT

(A) FRANCHISEE ACKNOWLEDGES THAT IT IS ENTERING INTO THIS AGREEMENT SOLELY AS A RESULT OF ITS OWN INDEPENDENT INVESTIGATION AND NOT AS A RESULT OF ANY REPRESENTATIONS MADE BY FRANCHISOR OR ITS AGENTS—INCLUDING ANY REPRESENTATIONS CONCERNING THE FRANCHISOR, THE SYSTEM, THE FINANCIAL PERFORMANCE ACHIEVED BY OTHER FRANCHISEES OR COMPANY-OWNED OUTLETS, THE FINANCIAL PERFORMANCE THAT FRANCHISEE MIGHT ACHIEVE OR MIGHT EXPECT TO ACHIEVE, OR ANY OTHER ASPECT OF THE FRANCHISE OFFERING—THAT ARE NOT CONTAINED IN THIS AGREEMENT

(B) FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR DOES NOT FURNISH AND DOES NOT AUTHORIZE ITS EMPLOYEES OR AGENTS TO FURNISH, IN CONNECTION WITH THE OFFER AND SALE OF ITS FRANCHISES, ANY ORAL OR WRITTEN INFORMATION CONCERNING ACTUAL PERFORMANCE OF EXISTING FRANCHISES AND OTHER OUTLETS, OR ACTUAL OR POTENTIAL SALES, COSTS, INCOME, OR PROFITS OF THE FRANCHISED BUSINESS, OTHER THAN THOSE CONTAINED IN THIS AGREEMENT OR IN ANY DISCLOSURE DOCUMENT GIVEN TO FRANCHISEE PURSUANT TO APPLICABLE LAW

(C) FRANCHISEE UNDERSTANDS AND ACKNOWLEDGES THAT THE FRANCHISED BUSINESS INVOLVES RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISEE, ITS EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR, AND LOCAL MARKET CONDITIONS FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED UPON ANY WARRANTY OR GUARANTEE, EXPRESS OF IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE FRANCHISED BUSINESS CONTEMPLATED BY THIS AGREEMENT

(D) FRANCHISEE HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS AGENTS OR FRANCHISEES, ABOUT THE FRANCHISED BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR ANY DISCLOSURE DOCUMENT GIVEN TO FRANCHISEE PURSUANT TO APPLICABLE LAW FRANCHISEE REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT

(E) FRANCHISEE ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISEE WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED

(F) FRANCHISEE, TOGETHER WITH ITS ADVISORS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THIS AGREEMENT

(G) FRANCHISOR RESERVES THE RIGHT TO OFFER FRANCHISES TO PROSPECTIVE FRANCHISEES ON TERMS THAT ARE MATERIALLY DIFFERENT THAN THOSE CONTAINED IN THIS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above set forth

SCOOTER'S COFFEE, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____
_____
Individually
Date _____

OR

(if a corporation or partnership)

_____
Company Name

By _____
Title _____
Date _____

EXHIBIT I
TO FRANCHISE AGREEMENT

ADDENDUM TO SCOOTER'S COFFEE, LLC
FRANCHISE AGREEMENT

1 **Franchised Location** The Franchised Location set forth in Section 3 1 of the Agreement shall be _____,

OR

If the Franchised Location is not determined as of the date of the Agreement, then the Designated Area, referred to in Section 3 1 of the Agreement, within which the Franchisee shall, within 60 days from the date hereof, select and propose to the Franchisor for the Franchisor's approval a Franchised Location, is as follows _____

_____

By execution hereof, the Franchisor approves the above-stated Franchised Location, or the Designated Area for the Franchised Location, and the Franchisee acknowledges and warrants that (1) the Franchisor's approval does not constitute a guarantee, recommendation or endorsement of the Franchised Location or Designated Area and that the success of the SCOOTER'S COFFEE Store to be operated from the Franchised Location is dependent upon the Franchisee's abilities as an independent businessperson, and, if the Franchised Location is designated, (2) that Franchisor has complied with its obligations under the Agreement to assist the Franchisee by providing site selection criteria for the Franchised Location

2 **Store Type** The Store Type to which this Agreement applies shall be (check one)

____ **Type 1 – Drive-Thru Kiosk** – This is a free-standing store with a drive-up window and no seating

____ **Type 2 – Drive-Thru Coffeehouse** – This type of Store occupies a larger space, located either in a strip center or in a free-standing building, with inside seating and a drive-up window

____ **Type 3 – Non-traditional** – This type of store would be a cart or other small space located in a specialty location (e g an airport, office-building atrium, hospital)

3 **Initial Franchise Fee** The Initial Franchise Fee in Section 4 1 of the Agreement is $40,000

4 **Training** The following individual(s) shall attend the Franchisor's initial training program, as described in Section 6 1 of the Agreement _____ _____, and, of these individual(s), the Designated Manager shall be _____

5 **Initial Grand Opening Support and Marketing Fee** As defined in this Agreement, the Franchisee's Initial Grand Opening Support and Marketing Fee is $_____ Upon the Franchisee paying the Initial Grand Opening Support and Marketing Fee, the Franchisor or area representative, if applicable, may match up to 50% of the Franchisee's Initial Grand Opening Support and Marketing Fee

6 **Acknowledgement** The Franchisee acknowledges that he/she/it has had an execution copy of the Franchise Agreement, including this Addendum, all other addenda and all other documents related to the purchase of the franchise, for at least 7 calendar days prior to signing the Franchise Agreement or paying any funds to the Franchisor

SCOOTER'S COFFEE, LLC		**FRANCHISEE**	
By	_____	By	_____
Name	_____	Name	_____
Title	_____	Title	_____

EXHIBIT I-I
TO FRANCHISE AGREEMENT

RIDER TO ADDENDUM
TO FRANCHISE AGREEMENT --
FRANCHISED LOCATION APPROVAL
DATED _____

1 **Franchised Location** The Franchised Location set forth in Section 3 1 of the Agreement shall be _____ By execution hereof, the Franchisor consents to the above-stated Franchised Location and the Franchisee acknowledges and warrants that (1) the Franchisor's consent does not constitute a guarantee, recommendation or endorsement of the Franchised Location and that the success of the SCOOTER'S COFFEE Store to be operated at the Franchised Location is dependent on the Franchisee's abilities as an independent businessperson, and (2) that the Franchisor has complied with its obligations under the Agreement to assist the Franchisee by providing site selection criteria for the Franchised Location and determination of fulfillment of the requisite criteria for the Franchised Location

2 **Notices** The business address for any notices mailed pursuant to Section 24 10 of the Agreement shall be changed to read as follows _____

3 **Ratification** To the extent not amended herein, all other terms and conditions of the Franchise Agreement and Addendum shall remain in full force and effect as stated

SCOOTER'S COFFEE, LLC	**FRANCHISEE**
	_____
By _____	By _____
Name _____	Name _____
Title _____	Title _____

EXHIBIT II
TO FRANCHISE AGREEMENT

PERMIT, LICENSE AND CONSTRUCTION CERTIFICATION

Scooter's Coffee, LLC ('**Franchisor**") and the Franchisee are parties to a Franchise Agreement dated _____, 20___, for the development and operation of a SCOOTER'S COFFEE Store located at _____ (the "**Store Location**") In accordance with Section 5 7 of the Franchise Agreement, the Franchisee certifies to the Franchisor that the Franchised Location complies with all applicable federal, state and local laws, statutes, codes, rules, regulations and standards including, but not limited to, the federal Americans with Disabilities Act and any similar state or local laws The Franchisee has obtained all such permits and certifications as may be required for the lawful construction and operation of the SCOOTER'S COFFEE Store, together with all certifications from government authorities having jurisdiction over the site that all requirements for construction and operation have been met, including without limitation, zoning, access, sign, health, safety requirements, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances The Franchisee has obtained all customary contractors' sworn statements and partial and final lien waivers for construction, remodeling, decorating and installation of equipment at the Store Location The Franchisee acknowledges that it is an independent contractor and that the requirement of this certification does not constitute ownership, control, leasing or operation of the Store or the Franchised Location but rather provides notice to the Franchisor that the Franchisee has complied with all applicable laws The Franchisee asserts that the Franchisor may justifiably rely on the information contained in this certification

FRANCHISEE

_____
Individually

AND

(if a corporation, partnership or limited liability company)

_____
Company Name

By _____
Title _____

EXHIBIT III
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee _____

Trade Name (if different from above) _____

_____

Form of Ownership

(Check One)

____ Individual	____ Partnership	____ Corporation	____ Limited Liability Company

In the space below, provide the name and address of each partner, if Franchisee is a Partnership, and state (1) the percentage owned, (2) whether such partner is active in management, and (3) the state in which the partnership was formed

If Franchisee is a Corporation or Limited Liability Company, (1) give the state and date of incorporation or organization, (2) state the names and addresses of each officer and director or manager, and (3) list the names and addresses of every shareholder or member, showing the percentage of stock or interest owned by each

Also provide below the address where the Franchisee's financial records, and partnership, corporate or company records, as applicable, are maintained (Store location will be deemed to be the address unless otherwise stated below)

_____

_____

_____

_____

_____

_____

Franchisee acknowledges that this Statement of Ownership applies to the SCOOTER'S COFFEE Store authorized under the Franchise Agreement

Use additional sheets if necessary Any and all changes to the above information during the term of the Franchise Agreement must be reported to the Franchisor in writing

_____ _____

Date Name

EXHIBIT IV
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by Scooter's Coffee, LLC (' **Franchisor**"), each of the undersigned (jointly and several referred to as 'Guarantor") hereby personally and unconditionally

a Guarantees to the Franchisor, and its successors and assigns, payment and performance of all debts, obligations, undertakings, agreements, and covenants ("Obligations") of the Franchisee, as that term is defined in the Agreement, in favor of the Franchisor, whether existing now or hereafter arising, including, but not limited to, Sections 20 2 and 22 1 of the Agreement, and

b Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement

Each Guarantor waives the following

1 Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking,

2 Notice of the creation, existence or maturity of any Obligations,

3 Notice of demand for payment or performance of any Obligations,

4 Notice of default, extension of time, protest, presentment, and notice of dishonor and diligence in collection with respect to the Obligations,

5 Any right he or she may have to require that any action be brought against the Franchisee or any other person as a condition of liability, and

6 Any and all other notices and legal or equitable defenses to which he or she may be entitled

Each Guarantor consents and agrees that

1 His or her direct and immediate liability under this guaranty shall be joint and several,

2 He or she shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so,

3 Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person, and

4 Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims or security, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof

Notwithstanding anything to the contrary in this Guaranty, Guarantor hereby irrevocably waives all rights he may have at law or in equity (including, without limitation, any law subrogating the Guarantor to the rights of the Franchisor) to seek contribution, indemnification, or any other form of reimbursement from the Franchisee, any other guarantor, or any other person now or hereafter primarily or secondarily liable for any obligations of the Franchisee to Franchisor, for any disbursement made by the Guarantor under or in connection with this Guaranty or otherwise

This Guaranty is continuing and covers all Obligations, whether such Obligations now exists or arises hereafter, regardless whether at any point in time the Obligations to the Franchisor may be paid in full or otherwise extinguished

Guarantor acknowledges and agrees that this Guaranty may be revoked only by a writing signed by all parties hereto and that any such revocation shall be effective only as to any Obligations incurred after the effective date of the revocation

Guarantor hereby agrees to indemnify and hold Franchisor harmless from and against any liability asserted against Franchisor based upon any claim or legal action filed against Franchisor based in whole or part upon a claim under 11 U S C §547(b) or 11 U S C §550 resulting from or connected with this Guaranty

The Guarantor agrees to pay Franchisor for reasonable attorney's fees, costs and out-of-pocket expenses incurred in the enforcement of this Guaranty

This Guaranty shall be governed and construed in accordance with the laws of the State of Nebraska

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature effective on the same day and year as the Agreement was executed

WITNESS	**GUARANTOR(S)**
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT V
TO FRANCHISE AGREEMENT

AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS (DIRECT DEBITS)

The undersigned depositor ("**Depositor**") hereby (1) authorizes Scooter's Coffee, LLC ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account indicated below and (2) authorizes the depository designated below ("**Depository**") to debit such account pursuant to Company's instructions

Depository	Branch
City	State Zip Code
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it Notwithstanding the foregoing, Depository shall provide Company and Depositor with 30 days' prior written notice of the termination of this authority If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account These rights are in addition to any rights Depositor may have under federal and state banking laws

DEPOSITOR (Print Name)

By _____
Its _____
Date _____

EXHIBIT VI
TO FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE ("**Assignment**") is made as of this _____ day of _____, 20_____, by and between _____, a _____ ("**Assignor**"), **Scooter's Coffee, LLC**, a Nebraska corporation ('**Assignee**") and _____, a _____, ("**Landlord**")

WHEREAS, Assignor is a tenant ("**Tenant**") of certain property generally known as _____, located in the City of _____, State of _____ (**Property**"), pursuant to a lease by and between Landlord and Assignor, dated _____, 20_____ (the "**Lease**"),

WHEREAS, Assignor desires to construct, or have constructed by Landlord (whichever is applicable), and thereafter operate a SCOOTER'S COFFEE Store under a certain franchise agreement between Assignor and Assignee (the "**Franchise Agreement**"), and

WHEREAS, as a condition to the grant of rights under the Franchise Agreement to Assignor, Assignee requires that Assignor enter into this Assignment

NOW, THEREFORE, for and in consideration of the sum of Five Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows

1 Assignor hereby assigns all of its right, title and interest in and to the Lease and the SCOOTER'S COFFEE Store to Assignee

2 With the exception of Assignee's rights under paragraph 3 below and Assignor's and Landlord's respective obligations, representations and covenants under paragraphs 3, 4, 8, 9 and 10 below, the assignment set forth in paragraph 1 above is expressly conditioned upon, and shall not be effective and Assignee shall have no right to pursue any remedy hereunder unless and until

(a) Default by Assignor under the terms of the Lease, which default (i) is not cured by Assignor within the time limits provided therein or (ii) results in a demand for performance by Assignee under any guaranty of the Lease, or

(b) Default by Assignor under the terms of the Franchise Agreement or under any document or instrument securing the Franchise Agreement, which default is not cured by Assignor within the time limits provided therein, or

(c) Voluntary institution of any insolvency or bankruptcy proceedings as a debtor or involuntary insolvency or bankruptcy proceedings brought against Assignor which are not dismissed within 60 days of the filing thereof, or

(d) Discontinuation by the Assignor of operation of a SCOOTER'S COFFEE Store on the Property, whether voluntarily or involuntarily, or

(e) Nonrenewal by Assignor of the Franchise Agreement, or

(f) Nonrenewal by Assignor of the Lease

3 During the term of the Lease, Landlord agrees to give Assignee written notice of all defaults of Assignor concurrently with the giving of such notice to Assignor Landlord further agrees to give Assignee a 30-day period to cure such default, or the period provided to the Assignor in the Lease, whichever period shall be longer

4 In the event Assignee expends sums to cure a default, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of 1½ % per month, or the highest rate allowed by law, whichever is less Nothing herein shall obligate Assignee to cure any such default, unless Assignee elects to assume the Lease pursuant to paragraph 5 below

5 The date upon which the assignment set forth in paragraph 1 above shall be effective (the '**Effective Date**"), is the date upon which Landlord and Assignor receive written notice from Assignee that

(a) Assignee will cure all prior defaults of Assignor in the Lease in which Landlord has given notice to Assignec pursuant to the provisions of paragraph 3 above, and that Assignee will assume the Lease, or

(b) The events described in either subsections 2(b), 2(c), 2(d) or 2(f) above have occurred and that Assignee will assume the Lease

6 As of the Effective Date, Assignee will assume all rights, duties, responsibilities and obligations of Assignor arising on or after the Effective Date pursuant to the terms and provisions of the Lease

7 Landlord hereby consents to the terms and provisions of this Assignment, and to the assignment of the Lease to Assignee Landlord agrees that after the Effective Date, Assignee may (i) enter into a sublease or assignment with any SCOOTER'S COFFEE Store franchisee without Landlord's further consent, or (ii) further assign the Lease to a person, firm or corporation who shall agree to assume the tenant's obligations under the Lease and who is reasonably acceptable to Landlord Landlord further agrees that upon the occurrence of any such assignment, Assignee shall have no further liability or obligation under the Lease as Assignee, tenant or otherwise, and that concurrent with such assignment, Landlord will enter into a replacement Collateral Assignment of Lease by and between Assignee and the new tenant

8 Assignor agrees to indemnify and hold harmless Assignee from any loss, liability, cost or expense incurred or suffered by Assignee under this Assignment

9 Assignor and Landlord agree not to allow any surrender, amendment, modification or termination of the Lease without the prior written consent of Assignee Throughout the term of the Lease, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days prior to the last day said option must be exercised, unless Assignee otherwise agrees in writing Upon Assignee's failure otherwise to agree in writing, and upon the failure of Assignor to elect to extend or renew the Lease, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal option in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal

10 Assignor represents and warrants to Assignee that it has the full power and authority to assign the Lease and its interests therein and that Assignor has not previously assigned, transferred or

pledged, and is not otherwise obligated to assign, transfer or pledge, any of its interests in the Lease or the leasehold estate created thereby

11 All notices or demands required hereunder shall be made in writing and shall be deemed to be fully given when deposited in the U S certified mail, postage prepaid, return receipt requested or when sent Federal Express or similar overnight courier to

Assignee

Scooter's Coffee, LLC
6824 J Street
Omaha, Nebraska 68117

Assignor

_____
_____
_____
_____

Landlord

_____
_____
_____
_____

12 Should any one or more of the provisions hereof be determined to be illegal or unenforceable, all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby

IN WITNESS WHEREOF, the parties hereto have executed this Assignment on the day and year first above written

WITNESS/ATTEST

_____

ASSIGNOR

_____

By _____
Title _____
Date _____

WITNESS/ATTEST

_____

ASSIGNEE

SCOOTER'S COFFEE, LLC

By _____
Title _____
Date _____

WITNESS/ATTEST

_____

LANDLORD

By _____
Its _____
Date _____

EXHIBIT VII
TO FRANCHISE AGREEMENT

SPACE RESERVED FOR REGISTER OF DEED RECORDING INFORMATION

WHEN RECORDED RETURN TO

David G Anderson
Scooter's Coffee, LLC
6824 J St
Omaha, NE 68117

NOTICE OF INTEREST

The undersigned, Scooter's Coffee, LLC ("Franchisor") and _____ ("Franchisee") hereby give this Notice of Interest in the following described real property located in _____ County, State of _____

Legal Description

Tax Parcel Number _____

Purported Address _____

Said interest is claimed pursuant to the terms of a Franchise Agreement, signed and dated _____ _____, _____ by and between Franchisor and Franchisee (the "Franchise Agreement"), pursuant to which (i) Franchisee, as the owner of the Property, is restricted from transferring the Property without Franchisor's prior written consent, (ii) Franchisor has a right of first refusal to purchase the Property according to the terms and conditions of the Franchise Agreement, and (iii) upon the expiration or sooner termination of the Franchise Agreement, Franchisor has the right to purchase the Property from Franchisee according to the terms and conditions of the Franchise Agreement Nothing herein contained shall be construed to amend, modify or in any other way affect the terms, conditions and provisions of the Franchise Agreement as therein set forth, all of which are ratified and confirmed by the parties hereto

Dated on this _____ day of _____, _____

[Signature page follows]

SCOOTER'S COFFEE, LLC

By _____
Name _____
Title _____

FRANCHISEE

_____

By _____
Name _____
Title _____

STATE OF _____)
) ss
COUNTY OF _____)

Personally appeared before me this _____ day of _____, _____ the above-named _____ to me known to be the person who executed the foregoing Notice of Interest as its _____

_____
(Notary)

STATE OF _____)
) ss
COUNTY OF _____)

Personally appeared before me this _____ day of _____, _____ the above-named _____ to me known to be the person who executed the foregoing Notice of Interest as its _____

_____
(Notary)

EXHIBIT VIII
TO FRANCHISE AGREEMENT

ACKNOWLEDGEMENT ADDENDUM

Applicant _____
(If corporation) State of Incorporation _____
Address of Applicant _____
Location (Territory) Applied For _____

1 I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies

2 I have signed and returned to Franchisor the acknowledgment of receipt for each disclosure document given me

3 I have had an opportunity to read the Franchise Agreement thoroughly and understand all of Franchisor's covenants and obligations and my obligations as a franchisee of the SCOOTER'S COFFEE® system I understand that the Franchise Agreement contains all obligations of the parties and that Franchisor does not grant to me under the Franchise Agreement any right of first refusal

4 I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend primarily upon me and my ability

5 Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed

6 If I was referred to Franchisor by a franchise broker or referral source, the name of that franchise broker(s) or referral source(s) is _____

7 I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None")

_____
_____
_____
_____
_____

Applicants' Acknowledgment

Name _____ Name _____
Date _____ Date _____

EXHIBIT C
(TO FRANCHISE DISCLOSURE DOCUMENT)

Multiple Store Development Agreement

EXHIBIT C
(TO FRANCHISE DISCLOSURE DOCUMENT)

MULTIPLE STORE DEVELOPMENT AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made this _____ day of _____, 20_____, by and between _____, located at _____ ("**Developer**"), and **Scooter's Coffee, LLC**, a Nebraska corporation located at 6824 J Street, Omaha, Nebraska 68117 ("**Franchisor**")

RECITALS

A The Franchisor is the owner and developer of a system for establishing, operating, and promoting quick service coffee stores offering drive-through, carry out and in-store seating service of espresso drinks, smoothies, baked goods, and other related products and services which are prepared in accordance with special methods and recipes ("**Stores**") The Stores are operated under the Franchisor's valuable trade names, service marks and trademarks, including the service mark "SCOOTER'S COFFEE" (the "**Marks**"), and pursuant to the Franchisor's distinctive plan for the establishment, operation and promotion of Stores and related system for doing business ("**System**")

B The Developer would like to use the Franchisor's System in connection with the development of a certain number of Stores in a specific geographical area as set forth herein The Franchisor desires to grant the Developer the right to establish and operate such Stores under the terms and conditions which are contained in this Agreement

1 GRANT OF DEVELOPMENT RIGHTS

1 1 Subject to the provisions stated below, Franchisor grants to the Developer the right to develop and establish Stores using the Marks pursuant to individual "SCOOTER'S COFFEE" franchise agreements (each a "**Franchise Agreement**") in the form then-currently used by Franchisor at the time of issuance Developer's right to develop and establish Stores under this Agreement will be limited to the geographic area described in Exhibit A attached hereto (the "**Development Area**") Such Stores shall be owned and operated by Developer, and Developer has no right to subfranchise or sublicense any such Stores

1 2 Provided Developer is in full compliance with the terms of this Agreement and all obligations under each Franchise Agreement entered into between Developer and Franchisor then, during the term of this Agreement, and subject to Section 1 3 below, Franchisor will not operate (directly or through an affiliate), or grant a third party the right to operate, any Store using the Marks and System anywhere inside the Development Area, except for franchises granted to Developer

1 3 Notwithstanding the above, Franchisor (and its affiliates) retains the right to

a directly operate, or to grant other persons the right to operate Stores at locations outside the Development Area,

b promote, sell and distribute products and services authorized for sale at Stores under trademarks and service marks other than the Marks through similar or dissimilar channels of distribution,

c promote, sell and distribute products and services authorized for sale at Stores under the Marks through dissimilar channels of distribution, including by electronic means such as the Internet, by mail order, catalog, retail store display, through the wholesale sale of products to unrelated retail outlets or distributors, or to grocery stores, convenience stores, or locations other than through SCOOTER'S COFFEE Stores,

d directly operate, or to grant other persons the right to operate Stores at non-traditional locations (as that term is defined below) located inside or outside the Development Area, provided Developer is unable to secure the right to operate a Store at the non-traditional location,

e to promote the System and Stores generally, including on the Internet (or any other existing or future form of one or more electronic commerce), and to create, operate, maintain and modify or discontinue the use of websites using the Marks

For purposes of this Section 1 3, the term non-traditional location means and includes airports, hospitals, stadiums, train stations, malls, military bases, amusement parks and business atriums

1 4 The parties acknowledge that the Franchise Agreement, attached hereto as Exhibit B is being executed concurrently with this Agreement (the "**Initial Franchise Agreement**") The Developer shall comply with the terms and conditions of the Initial Franchise Agreement as a part of its obligations hereunder, and the Developer's failure to execute and comply with the Initial Franchise Agreement or any additional Franchise Agreement shall be a material breach of this Agreement

2 FEES

2 1 For the rights described in Article 1 above, Developer will pay Franchisor a development fee (the "**Development Fee**") equal to $5,000 for each Store (excluding Developer's first Store operated under the Initial Franchise Agreement) to be developed in accordance with Section 3 1 hereof The Development Fee will be payable when Developer executes this Agreement, and is not refundable under any circumstances That portion of the Development Fee attributable to the second and subsequent Stores to be developed under this Agreement will be credited against the Initial Franchise Fee due for such Stores under the respective Franchise Agreement

3 DEVELOPMENT OBLIGATIONS

3 1 The Developer agrees to develop the following number of Stores in the Development Area, in accordance with the following schedule

Development Phase #	Number of Months After Date of This Agreement	Minimum Number of Stores Opened for Business
#1		
#2		
#3		
#4		

Developer's rights under this Agreement are conditioned upon the active development of the Development Area Developer agrees to open for business and thereafter maintain in operation within the Development Area at least the minimum number of Stores outlined above If Developer fails to meet any of the development obligations outlined above, Franchisor may terminate this Agreement, as described in Section 4 2 below

3 2 A separate Franchise Agreement shall be executed by the parties to this Agreement for each Store to be developed under this Agreement, provided Franchisor will be obligated to enter into a Franchise Agreement for the development of a Store only if, at the time Developer intends to enter into a Franchise Agreement for such Store (i) Developer meets Franchisor's then-current standards and requirements for new franchisees, (ii) all amounts due and owning by Developer under or relating to the Initial Franchise Agreement and any other Franchise Agreements are paid in full and Developer is otherwise in good standing under such Franchise Agreements, and (iii) Developer is not in default of its obligations under this Agreement The Franchise Agreements for the second and subsequent Stores will be executed within 14 calendar days after the Franchisor's written approval of a location for the Store to be operated thereunder The Developer's failure to execute any additional Franchise Agreements on a timely basis or its default in any term of such Franchise Agreements may, at the option of the Franchisor, be deemed a material default under this Agreement and shall entitle the Franchisor to terminate this Agreement as further provided in Article 4 below

3 3 The Developer shall not, without the prior written approval of the Franchisor, enter into any contract for the purchase or lease of any premises for use as a Store The Franchisor will assist the Developer in the selection and approval of locations for its Stores, although the Developer acknowledges that the Franchisor has no obligation to select or acquire a location on behalf of the Developer Assistance by the Franchisor will consist of the assistance described in the Franchise Agreement

3 4 Each Franchise Agreement to be executed by the Developer for each Store to be developed hereunder shall be in a form substantially similar to the franchise agreement being offered by Franchisor to prospective franchisees at the time of the execution of such Franchise Agreement, and Developer acknowledges that the terms of such franchise agreements may differ from the terms of the Initial Franchise Agreement attached hereto as Exhibit B Notwithstanding the foregoing, the Franchisor shall not charge an initial franchise fee to Developer under a subsequent Franchise Agreement that is greater than the amount identified in the Initial Franchise Agreement The Developer acknowledges that the Franchisor has the right, however, to charge then current published rates for royalties, advertising fees, and optional products and services offered to the Developer

3 5 The Developer may also request additional assistance from the Franchisor in connection with site selection, site feasibility studies, lease negotiations and other issues related to the development of its Development Area Developer agrees that, if Franchisor agrees to provide such assistance, the Developer will pay all travel, lodging, living expenses, telephone charges and other identifiable expenses

incurred in connection with such assistance, plus an hourly fee based on time spent by any of the Franchisor's employees in connection with such assistance

4 TERM AND TERMINATION

4 1 This Agreement shall commence as of the date of execution hereof and shall end on the last day of the last calendar month in the final Development Phase set forth in Section 3 1 above After expiration of the term, or earlier termination of this Agreement as provided below, the Franchisor shall have the right to establish, or license any other party, including an area representative franchisee, to establish Stores anywhere within the Development Area

4 2 Except as described below, this Agreement may be terminated by the Franchisor on 30 days' prior written notice (or such longer period as applicable law may require), such notice containing a right to cure the default, if applicable, in the event of any of the following

a If the Developer defaults on any term or condition of this Agreement, including without limitation, failure to develop in accordance with the schedule set forth in Section 3 1 above, or

b Any occurrence which would entitle the Franchisor to terminate the Initial Franchise Agreement or any other Franchise Agreement executed in furtherance of this Agreement

This Agreement shall automatically terminate at the end of such 30-day notice period (or such longer period of time as applicable law may require), unless the Developer cures the default set forth in such notice within said 30-day period Franchisor may terminate this Agreement immediately upon delivery of written notice to Developer, with no opportunity to correct any default, if the termination results from any of the following (i) Developer repeatedly fails to comply with one or more material requirements of this Agreement, (ii) Developer is declared bankrupt or becomes insolvent, (iii) Developer is convicted of violating any law, ordinance or regulation relating to the operation of any Store referenced herein or developed hereunder, or (iv) Developer attempts to subfranchise in any manner all or part of its rights under this Agreement

During the period from the date Franchisor sends a notice of default until all violations and defaults specified therein are corrected or this Agreement is terminated, Franchisor will not be obligated to enter into any Franchise Agreement with Developer or otherwise perform any obligations pursuant to this Agreement

4 3 In the event of termination or expiration of this Agreement for any reason, all rights licensed herein will automatically revert to Franchisor and any remaining rights to develop Stores within the Development Area will cease Further, Developer shall remain subject to the provisions of Article 6 of this Agreement regarding nondisclosure and covenants not to compete, in addition to the terms and conditions of any and all Franchise Agreements executed in furtherance of this Agreement which have not also been terminated

5 ASSIGNMENT

5 1 The Franchisor may transfer or assign its rights under this Agreement at any time upon notice to the Developer, provided that the Franchisor has fulfilled its obligations hereunder or has made adequate provisions therefor

5 2 The Developer may not sell, transfer or assign its rights under this Agreement or any interest in it or any part of the Developer entity, unless the Developer obtains the Franchisor's prior written consent, which consent shall not be unreasonably withheld if the Developer (i) transfers all rights under all Franchise Agreements signed in connection with this Agreement, and (ii) complies with the transfer provisions of the Franchise Agreement most recently executed by the Franchisor and the Developer, which provisions shall be deemed to be incorporated herein by reference The Franchisor will consent to the Developer's proposed transfer of rights to a specific Store to be developed, at the time of execution of the Franchise Agreement which shall govern operation of such Store, if the proposed transfer is to a corporation, limited liability company or other entity owned by, controlled by, or under common control with the Developer, provided the transfer fee described in Section 5 3 below shall not be charged

5 3 In the event of any proposed sale, transfer or assignment by the Developer as described herein, the Developer and/or the proposed transferee shall pay to the Franchisor the standard transfer fee of $8,000 for each franchise governed by a Franchise Agreement executed pursuant to this Agreement

5 4 In the event of any proposed sale, transfer or assignment of its rights under this Agreement or any part of the Developer entity or its assets (collectively, "**Transfer**"), the Developer agrees to grant the Franchisor a 30-day right of first refusal to purchase such rights, interest, or assets on the same terms and conditions as are contained in the most recently executed Franchise Agreement governing Transfers, provided Franchisor's right of first refusal will apply separately to each Store subject to the transfer or assignment

6 RESTRICTIVE COVENANTS

6 1 During the term and after the termination of this Agreement or any Franchise Agreement signed in furtherance of this Agreement, the Developer and its owners, shareholders, members, officers, partners and directors and their respective immediate families, shall be subject to all restrictive covenants as set forth in the Franchise Agreement executed concurrently herewith, and in any Nondisclosure and Noncompetition Agreements executed under the terms of such Franchise Agreement, which covenants by this reference are incorporated herein

7 BUSINESS RELATIONSHIPS

7 1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever As such, the Developer has no authority of any nature whatsoever to bind the Franchisor or incur any liability for or on behalf of the Franchisor or to represent itself as anything other than an independent contractor

7 2 The Developer shall at all times defend, indemnify, and hold harmless to the fullest extent permitted by law the Franchisor, its subsidiaries, affiliates, successors and assigns, and their respective shareholders, directors, officers, employees, agents, and representatives, and all others (the "**Indemnified Parties**") against, and to reimburse them for all losses, expenses and fines incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry, or any settlement thereof which arises out of or is based upon or related to this Agreement, the operation of Franchisee s SCOOTER'S COFFEE Store, the activities conducted under this Agreement, or Developer's or Developer's employees' actions or inactions For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable

accountants', attorneys' and expert-witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses The Franchisor shall have the right to defend any such claim against it This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

8 MISCELLANEOUS

8 1 The parties agree that any dispute between the parties arising out of the terms of this Agreement shall be settled in accordance with the terms and conditions for binding arbitration or other means, as set forth in the Initial Franchise Agreement executed concurrently herewith, which terms and conditions are by this reference incorporated herein

8 2 This Agreement shall be binding upon and inure to the benefit of each of the parties' respective heirs, successors, assigns and personal representatives

8 3 This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska

8 4 The Developer acknowledges that it had a copy of this Agreement in its possession for a period of time not fewer than 7 calendar days, during which time the Developer has had the opportunity to submit the same for professional review and advice of the Developer's choosing prior to freely executing this Agreement

8 5 No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any party hereto shall be considered to imply or constitute a further waiver of the same or any other condition, covenant, right or remedy

8 6 If any provision of this Agreement is held invalid by any court of competent jurisdiction in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included The remaining provisions of this Agreement shall not be affected by such invalidity or modification

8 7 This Agreement may be modified only upon execution of a written agreement between the parties

8 8 This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, both oral and written, concerning the subject matter hereof, provided that any Franchise Agreement executed by the parties hereto shall remain binding, except to the extent that this Agreement specifically supersedes any term thereof Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document it previously furnished to Developer

8 9 In the event of any default on the part of Developer, which is not resolved in accordance with the terms of the Franchise Agreement, in addition to all other remedies Franchisor may have, Developer will pay Franchisor all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in any legal action, arbitration or other proceeding as a result of such default, plus interest at the lesser of 18% per annum or the highest rate allowable by law, accruing from the date of such default

8 10 All notices required to be given under this Agreement shall be given in writing, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the addresses first set forth above, or at such other address as either party may designate from time to time by written notice as set forth herein Notice shall be deemed effective when deposited in the United States mail postage prepaid or when received by overnight delivery, as may be applicable

8 11 In the event of any conflict between the terms of this Agreement and the terms of the Franchise Agreement, the terms of this Agreement shall control

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the date first above written

SCOOTER'S COFFEE, LLC

By _____
Date _____ Title _____

DEVELOPER

Date _____ _____
Individually

_____
Print Name

Date _____ _____
Individually

_____
Print Name

Date _____ _____
Individually

_____
Print Name

OR (if corporation or partnership)

_____
(Print Name)

By _____
Date _____ Its _____

EXHIBIT A

TO DEVELOPMENT AGREEMENT
BETWEEN

SCOOTER'S COFFEE, LLC
AND _____

The Development Area, as described below by geographic boundaries, county lines, U S postal codes or as identified on the attached map, shall consist of the following area or areas

_____

_____

_____

_____

_____

EXHIBIT B

TO DEVELOPMENT AGREEMENT
BETWEEN

SCOOTER'S COFFEE, LLC
AND _____

Initial Franchise Agreement

EXHIBIT D
(TO FRANCHISE DISCLOSURE DOCUMENT)

Non-Disclosure and Non-Competition Agreement

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement ("**Agreement**") is made and entered into effective the _____ day of _____, 20_____ by and between **Scooter's Coffee, LLC**, a Nebraska corporation located at 6824 J Street, Omaha, Nebraska 68117 ("**Franchisor**") and _____ ("**Associate**"), who resides at _____
_____

RECITALS

A The Franchisor is the owner and developer of a system for establishing, operating, and promoting quick service coffee stores offering drive-through, carry out and in-store seating service of espresso drinks, smoothies, baked goods, and other related products and services which are prepared in accordance with special methods and recipes (the "**Franchised Business**"),

B Each Franchised Business is operated under the Franchisor's service mark 'SCOOTER'S COFFEE" and other service marks, trademarks, logo types, and other commercial symbols (collectively "**Marks**"),

C The Franchisor has developed methods for establishing, operating and promoting SCOOTER'S COFFEE Stores pursuant to the Franchisor's distinctive business format, plans, recipes, methods, data, processes, marketing systems, trade secrets, formulas, techniques, designs, layouts, operating procedures, Marks, proprietary information and know-how, as may be further developed and modified from time to time (the **Confidential Information**"),

D The franchisee named below ("**Franchisee**") and Franchisor are parties to a SCOOTER'S COFFEE Franchise Agreement, pursuant to which Franchisee has been granted the right to develop, open and operate one or more Franchised Businesses,

E Associate is an owner, officer, partner, director, or agent of the Franchisee, or an immediate family member of the Franchisee, and may receive access to certain Confidential Information, and

F As a result, Associate agrees to the terms and conditions of this Agreement

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Franchisor, intending legally to be bound, agree as follows

1 **Confidential Information** Associate acknowledges and agrees that Franchisor (i) owns the Confidential Information, (ii) has expended a great amount of effort and money to obtain and develop the Confidential Information, and (iii) has taken precautions to guard the secrecy of the Confidential Information Associate further acknowledges and agrees that the Confidential Information is unique, the exclusive property of, and a trade secret of the Franchisor, and any unauthorized disclosure or use of the Confidential Information would cause irreparable injury and harm to the Franchisor

2 **Trade Secrets** For purposes of this Agreement, Confidential Information includes all ' trade secrets" of Franchisor which includes, without limitation, all recipes, layouts, formulas, lists of suppliers, clients, customer profiles and any and all information contained in the Franchisor's Operations Manual, used by Franchisee to operate the Franchised Business, or any other non-public materials or

information provided by Franchisor to Franchisee in connection with the operation of the Franchised Business

3 **Nondisclosure of Confidential Information** Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Franchisor or the Franchised Business, the Confidential Information Notwithstanding any other provision of this Agreement, there may be certain limited circumstances where applicable law allows for the disclosure of certain Confidential Information in limited circumstances as specified in the Franchisor's Operations Manual

4 **Noncompetition Covenant** Associate hereby covenants and agrees that, during the term of the Franchise Agreement governing the establishment and operation of the Franchised Business, except while associated with or operating the Franchised Business in a manner authorized by the Franchisor, neither Associate nor any member of Associate's immediate family, shall

a have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business (as defined below),

b perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, or

c divert or attempt to divert any business related to, or any customer or account of the Franchised Business, the Franchisor's business or any other SCOOTER'S COFFEE, SCOOTER'S COFFEEHOUSE, SCOOTER'S COFFEE & YOGURT or SCOOTERS JAVA EXPRESS franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Franchisor or another franchisee licensed by Franchisor, to any Competitive Business by any direct inducement or otherwise

The term **Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate, a food service business deriving more than 20% of its gross receipts from the sale of espresso-based drinks, specialty coffee or smoothies, or a business operating or granting franchises or licenses to others to operate a business that solicits or sells franchises or licenses of a food-service business such as the type described above, provided, however, Associate shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding

5 **Post-Termination Covenant Not to Compete** Associate covenants and agrees that, for a period of two years after the effective date of termination, transfer or expiration of the SCOOTER'S Franchise Agreement for the Franchised Business, or for a period of two years after termination or cessation of Associate's relationship with Franchisee, whichever occurs first, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business located or operating within a 10 mile radius of the Franchised Location under the Franchise Agreement or within a 10 mile radius of any other SCOOTER'S COFFEE, SCOOTER'S COFFEEHOUSE, SCOOTER'S COFFEE & YOGURT or SCOOTERS JAVA EXPRESS franchised or company-owned Store The restrictions of this paragraph shall not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding Associate and its officers, directors, shareholders, and/or partners expressly acknowledge

that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living

6 **Injunction** Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Franchisor may be entitled Associate agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling more than $500, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had, provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate

7 **Effect of Waiver** The waiver by Associate or the Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof

8 **Binding Effect** This Agreement shall be binding upon and inure to the benefit of Associate and the Franchisor and their respective heirs, executors, representatives, successors and assigns

9 **Entire Agreement** This Agreement constitutes the entire agreement of Associate and the Franchisor relating to the matters set forth herein It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought

10 **Governing Law** This instrument shall be governed by and construed under the laws of the state of Nebraska

11 **Jurisdiction and Venue** In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Nebraska, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts located in Omaha, Nebraska Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts located in Omaha, Nebraska

12 **Severability** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect

13 **Attorneys' Fees** In the event that Franchisor should prevail in any action at law or in equity to enforce any of the provisions or rights under this Agreement, Associate shall pay all Franchisor's costs, expenses and reasonable attorneys' fees incurred therein (including without limitation such costs, expenses and fees on any appeals), and if Franchisor shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written

FRANCHISOR

SCOOTER'S COFFEE, LLC

By _____
Title _____

ASSOCIATE

_____
Print Name _____

NAME OF FRANCHISEE

_____

FRANCHISED BUSINESS LOCATION

_____
_____

EXHIBIT E
(TO FRANCHISE DISCLOSURE DOCUMENT)

List of Franchisees as of December 31, 2016

ARIZONA (1)

SCOOTER'S COFFEE (Type 2)
2635 W Glendale Ave
Phoenix, AZ 85051
Owner 2635 Glendale, LLC – Mark Stevenson
Phone 515-851-1974

FLORIDA (2)

SCOOTER'S COFFEE (Type 2)
1014 Del Prado Blvd
Cape Coral, FL 33990
Owner P Thomas Enterprises – Pat Thomas
Phone 402-630-1907

SCOOTER'S COFFEE (Type 1)
833 Osceola Dr
Rockledge, FL 32955
Owner Atomic Coffee I – Mike Walker
Phone 321-960-5057

GEORGIA (2)

SCOOTER'S COFFEE (Type 2)
2943 Canton Rd
Marietta, GA 30066
Owner SoDaug -- Jon Erwin
Phone 402-672-8522

SCOOTER'S COFFEE (Type 2)
550 W Crossville Rd
Roswell, GA 30075
Owner SoDaug – Jon Erwin
Phone 402-672-8522

IOWA (15)

SCOOTER'S COFFEE (Type 2)
3030 West Broadway
Council Bluffs, IA 51501
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 3)
149 W Broadway
Council Bluffs, IA 51501
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
4 North 16th Street
Council Bluffs, IA 51501
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
1738 Madison Ave
Council Bluffs, IA 51503
Owner TLC Coffee – Chandra Kipper
Phone 402- 880-3620

SCOOTER'S COFFEE (Large Shopping Mall)
3800 Merle Hay Road
Des Moines, IA 50310
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
206 6th Ave
Des Moines, IA, 50309
Owner JAM Coffee – Jason Sullivan
Phone 402-319-6235

SCOOTER'S COFFEE (Type 3)
700 Locust Street
Des Moines, IA, 50309
Owner JAM Coffee – Jason Sullivan
Phone 402-319-6235

SCOOTER'S COFFEE (Type 1)
99 University Ave
Des Moines, IA, 50314
Owner JAM Coffee – Jason Sullivan
Phone 402-319-6235

SCOOTER'S COFFEE (Type 2)
1315 31st St
Des Moines, IA, 50311
Owner FB Coffee Co – Stephen Froscheiser
Phone 515-707-9997

SCOOTER'S COFFEE (Type 2)
2810 SE Grimes Blvd
Grimes, IA 50111
Owner FB Coffee Co – Stephen Froscheiser
Phone 515-707-9997

SCOOTER'S COFFEE (Type 1)
1201 Copper Creek Dr
Pleasant Hill, IA 50327
Owner FNT Coffee – Gary Gilbody
Phone 980-229-2835

SCOOTER'S COFFEE (Type 2)
1390 Hamilton Blvd
Sioux City, IA 51103
Owner Alderman-Dreher Holdings – Ali Dreher
Phone 402-689-6390

SCOOTER'S COFFEE (Type 2)
3136 Floyd Blvd
Sioux City, IA 51108
Owner Alderman-Dreher Holdings – Ali Dreher
Phone 402-689-6390

SCOOTER'S COFFEE (Type 2)
5585 Mills Civic Parkway
West Des Moines, IA 50266
Owner FB Coffee Co – Stephen Froscheiser
Phone 515-707-9997

SCOOTER'S COFFEE (Type 1)
7500 Hickman Road
Windsor Heights, IA 50324
Owner FB Coffee Co – Stephen Froscheiser
Phone 515-707-9997

KANSAS (20)

SCOOTER'S COFFEE (Type 2)
626 S Andover Rd, Suite 100
Andover, KS 67002
Owner DAT Coffee – Pat Do
Phone 316-518-7202

SCOOTER'S COFFEE (Type 1)
2600 Burlington
Kansas City, KS, 64116
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
721 Center Drive
Lansing, KS 66043
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
2005 W 9th Street
Lawrence, KS 66044
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
1050 N 4th Street
Leavenworth, KS 66048
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
19641 W 101st Street
Lenexa, KS 66220
Owner Cool Beans – Teri Reynolds
Phone 913-764-2326

SCOOTER'S COFFEE (Type 1)
2027 E Santa Fe Street
Olathe, KS 66062
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
154 S Parker Street
Olathe, KS 66061
Owner Solid Grounds, LLC – Shannon Pickworth
Phone 402-452-6761

SCOOTER'S COFFEE (Type 2)
12140 College Blvd
Overland Park, KS 66210
Owner Table 7 – Brent Sharp
Phone 913-484-5691

SCOOTER'S COFFEE (Type 1)
9455 W 87th Street
Overland Park, KS 66212
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
11106 Antioch Rd
Overland Park, KS 66210
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
8830 W 95th Street
Overland Park, KS 66212
Owner Solid Grounds, LLC – Shannon Pickworth
Phone 402-452-6761

SCOOTER'S COFFEE (Type 2)
10610 Shawnee Mission Parkway
Shawnee, KS 66203
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
3480 N Ridge Rd
Wichita, KS 67205
Owner Mojo Enterprises – Amy Baker
Phone 316-737-2644

SCOOTER'S COFFEE (Type 1)
7399 West Central Ave
Wichita, KS 67212
Owner Mojo Enterprises – Amy Baker
Phone 316-737-2644

SCOOTER'S COFFEE (Type 1)
3123 N Rock Road
Wichita, KS 67226
Owner Mojo Enterprises – Amy Baker
Phone 316-737-2644

SCOOTER'S COFFEE (Type 1)
13335 W Maple Street
Wichita, KS 67235
Owner DAT Coffee – Pat Do
Phone 316-518-7202

SCOOTER'S COFFEE (Type 1)
311 N Washington St
Wichita, KS 67202
Owner DAT Coffee – Pat Do
Phone 316-518-7202

SCOOTER'S COFFEE (Type 2)
801 E Douglas, Suite 110
Wichita, KS 67202
Owner DAT Coffee – Pat Do
Phone 316-518-7202

SCOOTER'S COFFEE (Type 3)
Inside Newman University
3100 McCormick
Wichita, KS 67213
Owner Jayhawk Java, LLC – Tolli Rasmussen
Phone 316-371-0035

MISSOURI (10)

SCOOTER'S COFFEE (Type 1)
1116 SW 7 Hwy
Blue Springs, MO
Owner Loving Cup – Melanie Royal
Phone 816-721-4066

SCOOTER'S COFFEE (Type 1)
2300 S Missouri 291 Hwy
Independence, MO 64057
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
929 Walnut St
Kansas City, MO 66410
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 3)
Town Pavilion
1100 Walnut St
Kansas City, MO 64106
Owner Gypsy Enterprises – Sam & Renee Jones
Phone 816-471-1500

SCOOTER'S COFFEE (Type 3)
446 W 47th St
Kansas City, MO 64112
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
5550 N Antioch Rd
Kansas City, MO 64119
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 3)
Inside Phelps Medical Center
1050 W 10th Street
Rolla, MO 65401
Owner Wilson-Bell Enterprises – Jann Wilson-Bell
Phone 573-458-3210

SCOOTER'S COFFEE (Type 3)
Inside Heartland Regional Medical Center
5325 Faraon
St Joseph, MO 68506
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
322 Mid Rivers Mall Drive
St Peters, MO 63376
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
501 N Maguire St
Warrensburg, MO 64093
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

NEBRASKA (73)

SCOOTER'S COFFEE (Type 2)
2305 N 6th Street
Beatrice, NE 68310
Owner Kieffer Coffee - Scott Kieffer
Phone 402-310-3659

SCOOTER'S COFFEE (Type 1)
1550 Harlan Dr
Bellevue, NE 68005
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 3)
Inside Summer Kitchen Cafe
1203 Cornhusker Road
Bellevue, NE 68123
Owner SKC Wolf Creek Java – Roger Bargstadt
Phone 402-291-4544

SCOOTER'S COFFEE (Type 1)
2402 Cornhusker Road
Bellevue, NE 68123
Owner ARC Holdings - Adam Cockerill
Phone 402-706-8770

SCOOTER'S COFFEE (Type 2)
3615 Summit Plaza, Ste #104
Bellevue, NE 68123
Owner ARC Holdings – Adam Cockerill
Phone 402-293-0100

SCOOTER'S COFFEE (Type 2)
2211 Capehart Rd, Suite 107
Bellevue, NE 68123
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
2100 S 20th Street
Blair, NE 68008
Owner MBTK Enterprises – Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 1)
2117 23rd Street
Columbus, NE 68601
Owner Madge's Brew – Daria Springer
Phone 402-327-8477

SCOOTER'S COFFEE (Type 2)
1119 N 204th Ave , Suite 103
Elkhorn, NE 68022
Owner NewSellers LLC – Rob Newgard
Phone 402-290-8925

SCOOTER'S COFFEE (Type 2)
1515 S 204th Street, Suite 101
Elkhorn, NE 68022
Owner NewSellers LLC – Rob Newgard
Phone 402-290-8925

SCOOTER'S COFFEE (Type 2)
610 E 23rd Street
Fremont, NE 68025
Owner Skidmore Enterprises – Bruce Skidmore
Phone 402-721-2888

SCOOTER'S COFFEE (Type 1)
504 N 14th St
Ft Calhoun NE 68023
Owners Riverside Ventures LLC – Trish Bloodworth
Phone 402-991-1250

SCOOTER'S COFFEE (Type 2)
Inside U-Save Pharmacy
2501 S Locust St
Grand Island, NE 68801
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
3418 W State St
Grand Island, NE 68803
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 3)
Inside Nebraska Crossing Mall
21331 Nebraska Crossing Drive
Gretna, NE 68028
Owner Skidmore Enterprises – Bruce Skidmore
Phone 402-721-2888

SCOOTER'S COFFEE (Type 1)
11791 S Hwy 6
Gretna, NE 68028
Owner Skidmore Enterprises – Bruce Skidmore
Phone 402-721-2888

SCOOTER'S COFFEE (Type 1)
4402 2nd Avenue
Kearney, NE 68847
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
114 2nd Ave East
Kearney, NE 68847
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
8102 South 84th Street
La Vista, NE 68128
Owner ARC Holdings - Adam Cockerill
Phone 402-706-8770

SCOOTER'S COFFEE (Type 3)
Inside Summer Kitchen Cafe
12010 Giles Rd
LaVista, NE 68138
Owner SKC SouthPort Java – Roger Bargstadt
Phone 402-592-9181

SCOOTER'S COFFEE (Type 2)
151 N 8th Street
Lincoln, NE 68508
Owner Metcalf Coffee, LLC – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 1)
3838 Normal Blvd
Lincoln, NE 68506
Owner Metcalf Coffee, LLC – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 3)
Westfield Gateway Mall
6100 O Street, Suite 274A
Lincoln, NE 68506
Owner Metzo Mall – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 1)
4321 S 33 Street
Lincoln, NE 68516
Owner Metzo 33, LLC – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 1)
3275 Cornhusker Hwy
Lincoln, NE 68504
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 1)
5535 S 16th Street
Lincoln, NE 68512
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 2)
2700 Dan Avenue
Lincoln, NE 68504
Owner Metzo – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 3)
Inside St Elizabeth Medical Center
555 S 70th Street
Lincoln, NE 68510
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 3)
Inside State Building (First Floor)
301 Centennial Mall
Lincoln, NE 68509
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 2)
1033 'O" Street
Lincoln, NE 68508
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 2)
6811 O Street
Lincoln, NE 68510
Owner Metcalf Coffee – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 2)
5310 O Street
Lincoln, NE 68510
Owner Metcalf Coffee, LLC – Rita Metcalf
Phone 402-202-4653

SCOOTER'S COFFEE (Type 2)
5800 Hidcote Drive
Lincoln, NE 68516
Owner Manzitto Inc – Sam Manzitto
Phone 402-430-8220

SCOOTER'S COFFEE (Type 2)
2909 S 84 Street
Lincoln, NE 68516
Owner Moxie Management – Daria Springer
Phone 402-327-8477

SCOOTER'S COFFEE (Type 1)
2790 N 83rd Street
Lincoln, NE 6507
Owner Madge's Brew – Daria Springer
Phone 402-327-8477

SCOOTER'S COFFEE (Type 2)
2104 S 11th Street
Nebraska City, NE 68410
Owner Brew Enterprises – Lindsey Jochim
Phone 402-238-4415

SCOOTER'S COFFEE (Type 1)
905 S 13th Street
Norfolk, NE 68701
Owner Reynoldson Coffee, LLC – Mike Reynoldson
Phone 402-379-0887

SCOOTER'S COFFEE (Type 2)
1400 South Dewey
North Platte, NE 69101
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
5405 S 72nd Street
Omaha, NE 68127
Owner Sullatte - Jason Sullivan
Phone 402-319-6235

SCOOTER'S COFFEE (Type 1)
17530 Wright Street
Omaha, NE 68130
Owner Sullatte - Jason Sullivan
Phone 402-319-6235

SCOOTER'S COFFEE (Type 1)
5233 S 96th St
Omaha, NE
Owner ARC Holdings - Adam Cockerill
Phone 402-706-8770

SCOOTER'S COFFEE (Type 1)
13951 S Street
Omaha, NE 68133
Owner ARC Holdings - Adam Cockerill
Phone 402-706-8770

SCOOTER'S COFFEE (Type 1)
2815 S 132nd Street
Omaha, NE 68144
Owner ARC Holdings – Adam Cockerill
Phone 402-697-1799

SCOOTER'S COFFEE (Type 1)
11901 Fort Street
Omaha, NE 68164
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 1)
7595 Pacific St
Omaha, NE 68114
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 1)
12240 West Center Rd
Omaha, NE 68144
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 2)
6303 Center Street
Omaha, NE 68106
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 2)
17935 Welch Plaza, Ste #101
Omaha, NE 68135
Owner J's Java, Inc – John Gajewski
Phone 402-630-3672

SCOOTER'S COFFEE (Type 2)
11975 Blondo Street
Omaha, NE 68164
Owner Cool Beans RNB, LLC – Rob Brownell
Phone 402-932-3473

SCOOTER'S COFFEE (Type 1)
3703 N 144th Street
Omaha, NE 68116
Owner Cool Beans RNB, LLC – Rob Brownell
Phone 402-932-3473

SCOOTER'S COFFEE (Type 2)
15655 Pacific St , Ste #3
Omaha, NE 68118
Owner Christen Shellbourn
Phone 402-614-1723

SCOOTER'S COFFEE (Type 3)
Inside Summer Kitchen Cafe
1130 Sterling Ridge Dr
Omaha, NE 68144
Owner SKC Eagle Run – Roger Bargstadt
Phone 402-592-9181

SCOOTER'S COFFEE (three locations) (Type 3)
Eppley Airport
4501 Abbott Drive
Omaha, NE 68110
Owner Rigel Airport Services – Brian Bartling
Phone 402-422-6376

SCOOTER'S COFFEE (Type 1)
10309 Pacific St
Omaha, NE 68114
Owner Java Partners LLC – Matt Hanson
Phone 402-397-5892

SCOOTER'S COFFEE (Type 2)
4730 Garvin Plaza #1
Omaha, NE 68152
Owners Riverside Ventures LLC – Trish Bloodworth
Phone 402-991-1250

SCOOTER'S COFFEE (Type 3)
1620 Dodge St
Omaha, NE 68102
Owner 4 Muggs – Jim Pettid
Phone 402-991-6131

SCOOTER'S COFFEE (Type 1)
310 N 168th Circle
Omaha, NE 68118
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
15805 W Maple Rd
Omaha, NE 68134
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-660-5817

SCOOTER'S COFFEE (Type 1)
2220 N 90th Street
Omaha, NE 68134
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
4259 S 144th Street
Omaha, NE 68137
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
7149 Dodge Street
Omaha, NE 68132
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-360-5817

SCOOTER'S COFFEE (Type 1)
8459 West Center Rd
Omaha, NE 68124
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
111 N 78th St
Omaha, NE 68114
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 1)
5502 S 84th Street
Omaha, NE 68127
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 1)
8401 F Street
Omaha, NE 68127
Owner M5 – Jenna Moulton
Phone 402-319-9677

SCOOTER'S COFFEE (Type 1)
4040 N 72nd Street
Omaha, NE 68134
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
Rockbrook Village
Omaha, NE 68144
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 2)
747 Pinnacle Drive
Papillion, NE 68046
Owner Freedom Enterprises – Tracy Bouwens
Phone 913-369-5817

SCOOTER'S COFFEE (Type 3)
Inside Info USA
1020 E 1 St
Papillion, NE 68046
Owner Everest Corp – Netra Pokhrel
Phone 402-930-3500

SCOOTER'S COFFEE (Type 2)
16401 Westside Dr
Plattsmouth, NE 68048
Owner Schaper Enterprises – Marci Schaper Covington
Phone 402-669-0517

SCOOTER'S COFFEE (Type 1)
3301 Avenue B
Scottsbluff, NE 69361
Owner 1dash5 Enterprises – Gary Remington
Phone 308-672-4417

OKLAHOMA (1)

SCOOTER'S COFFEE (Type 1)
6954 S Lewis Ave
Tulsa, OK 74136
Owner Good Day – Morgon Wolff
Phone 712-899-8266

SOUTH DAKOTA (8)

SCOOTER'S COFFEE (Type 1)
100 E Holly Blvd
Brandon, SD 57005
Owner Rhoades Enterprises - Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 1)
305 22nd Avenue South
Brookings, SD 57006
Owner LOIO Enterprises
Phone 402-639-3334

SCOOTER'S COFFEE (Type 1)
33rd & Minnesota
Sioux Falls, SD
Owner Rhoades Enterprises - Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 1)
5303 W 57th Street
Sioux Falls, SD, 57106
Owner Rhoades Enterprises – Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 1)
3650 E 10th Street
Sioux Falls, SD, 57103
Owner Rhoades Enterprises – Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 2)
7710 S Dakota Hawk Ave
Sioux Falls, SD, 57108
Owner Rhoades Enterprises – Travis Rhoades
Phone 605-496-6082

SCOOTER'S COFFEE (Type 2)
5009 S Western Ave
Sioux Falls, SD 57108
Owner Scheier Group LLC - Tom Scheier
Phone 605-271-0293

SCOOTER'S COFFEE (Type 1)
1907 Broadway St
Yankton, SD 57078
Owner Riteway Oil & Gas – Mike Reynoldson
Phone 402-379-0887

TEXAS (7)

SCOOTER'S COFFEE (Type 2)
1 FM 3351 S, Suite 155
Boerne, TX 78006
Owner Two Guns Enterprises – Catherine Gerch
Phone 310-242-7792

SCOOTER'S COFFEE (Type 1)
4021 Belt Line Rd
Addison, TX, 75001
Owner Arc Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 2)
7171 Colleyville Blvd
Colleyville, TX 76034
Owner Arc Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 1)
1570 Keller Pkwy
Keller, TX 76248
Owner Arc Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 2)
2741 Virginia Parkway
McKinney, TX 75071
Owner ARC Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 1)
3600 Lakeview Pkwy
Rowlett, TX 75088
Owner Arc Holdings – Adam Cockerill
Phone 402-319-7848

SCOOTER'S COFFEE (Type 2)
3979 University Blvd
Tyler, TX, 75701
Owner Spur 248 Coffee – Jack Morgan
Phone 214-215-5532

UTAH (1)

SCOOTER'S COFFEE (Type 2)
1871 West 5300 South
Roy, UT, 84067
Owner Mile 40 Corporation – Mike Braunberger
Phone 801-388-7057

Signed Franchise Agreement, but Outlet not Open

ARIZONA (2)

Franchisee 12675 Bell, LLC
11000 N 77th Pl, 2018,
Scottsdale AZ 85260
Contact Mark Stevenson
Phone 515-851-1974

Franchisee Gass Stores, LLC
20707 Sheffield St
Elkhorn, NE 68022
Contact Scott Gass
Phone 402-210-3842

ARKANSAS (1)

Franchisee NWA Wired, LLC
9025 Pikes Peak Rd
Rogers, AK 72756
Contact Allen Stall
Phone 402-578-0311

CALIFORNIA (1)

Franchisee Coffee Guyz, LLC
1055 Kolln St
Pleasanton, CA 94566
Contact Raffiq Rajabali
Phone 425-830-2839

COLORADO (1)

Franchisee Triton, LLC
34251 County Rd E
Yuma, CO 80759
Contact Shawna Tribelhorn
Phone 970-630-3876

IOWA (1)

Franchisee FB Coffee Company III, LLC
4723 Waterford Dr
West Des Moines, IA 50265
Contact David Froscheiser
Phone 402-416-4191

KANSAS (4)

Franchisee Freedom Enterprises, LLC (2 stores)
4501 College Blvd, Suite 170
Leawood, KS 66211
Contact Tracy Bouwens
Phone 913-369-5817

Franchisee Solid Grounds, LLC
12049 So Barth Rd
Olathe, KS 66061
Contact Shannon Pickworth
Phone 402-452-6761

Franchisee ASI Coffee, LLC
449 N Mclean
Wichita, KS 67203
Contact Zach Blue
Phone 316-570-1132

MISSOURI (4)

Franchisee Freedom Enterprises, LLC
4501 College Blvd, Suite 170
Leawood, KS 66211
Contact Tracy Bouwens
Phone 913-369-5817

Franchisee Loving Cup, LLC
200 NE Woods Chapel Rd
Lee's Summit, MO 64064
Contact Melanie Graeve
Phone 816-721-4066

Franchisee JMBSR Enterprises, LLC
423 No Bonda Way
Nixa, MO 65714
Contact Mary Rolf
Phone 417-483-7116

Franchisee Brew Enterprises, LLC
7705 96th St
Nehawka, NE 68413
Contact Lindsey Jochim
Phone 402-238-4415

NEBRASKA (3)

Franchisee Metcalf Coffee
8521 A Street
Lincoln, NE 68520
Contact Jason Metcalf
Phone 402-202-6314

Franchisee Reynoldson Coffee, LLC
905 So 13th St
Norfolk, NE 68701
Contact Mike Reynoldson
Phone 402-379-0887

Franchisee Freedom Enterprises, LLC
4501 College Blvd, Suite 170
Leawood, KS 66211
Contact Tracy Bouwens
Phone 913-369-5817

SOUTH DAKOTA (1)

Franchisee Family Fuel, LLC
1103 West Boulevard
Rapid City, SD 57701
Contact Drew Purdy
Phone 605-391-7611

TEXAS (3)

Franchisee Two Guns Enterprises, LLC
24 Winged Foot
Boerne, TX 78006
Contact Catherine Gerch
Phone 310-242-7792

Franchisee Straub Enterprises, LLC
1150 River Road Dr
Waterloo, NE 68069
Contact Ted Straub
Phone 402-658-4581

Franchisee R Beanness, Inc
6205 Wildwood DR
McKinney, TX 75070
Contact Mike Taylor
Phone 402-680-9587

List of Affiliate-Owned Stores as of December 31, 2016

CALIFORNIA (1)

SCOOTER'S COFFEE (Type 1)
2348 Sunrise Blvd
Rancho Cordova, CA
Owner Boundless Operations
Phone 402-614-1723

COLORADO (2)

SCOOTER'S COFFEE (Type 1)
1951 W 5th Avenue
Broomfield, CO 80020
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
4296 N Academy Blvd
Colorado Springs, CO 80918
Owner Boundless Operations
Phone 402-614-1723

IOWA (4)

SCOOTER'S COFFEE (Type 1)
690 Marion Blvd
Cedar Rapids, IA 52302
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
7037 C Ave NE
Cedar Rapids, IA 52402
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
2300 Edgewood Rd SW
Cedar Rapids, IA 52404
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 1)
675 Gordan Dr
Sioux City, IA 51101
Owner Boundless Operations
Phone 402-614-1723

NEBRASKA (11)

SCOOTER'S COFFEE (Type 1)
903 Fort Crook Road North
Bellevue, NE 68005
Owner Boundless Operations
Phone 402-614-1723

SCOOTERS COFFEE (Large Shopping Mall)
Inside Oakview Mall
3001 S 144th Street
Omaha, NE 68144
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 1)
5929 F Street
Omaha, NE 68117
Owner Boundless Operations
Phone 402-614-1723

SCOOTERS JAVA EXPRESS (Large Shopping Mall)
17151 Davenport St , Ste 107
Omaha, NE 68118
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S JAVA EXPRESS (two locations) (Large Shopping Mall)
Inside Westroads Mall
10000 California
Omaha, NE 68135
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
Inside U-Save Pharmacy
5011 S 108th St
Omaha, NE 68137
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
10196 Maple St
Omaha, NE 68134
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
1123 Howard
Omaha, NE 68102
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 1)
6110 Irvington Rd
Omaha, NE 68134
Owner Boundless Operations
Phone 402-614-1723

SCOOTER'S COFFEE (Type 2)
304 N 179th St
Omaha, NE 68118
Owner Boundless Operations
Phone 402-614-1723

EXHIBIT F
(TO FRANCHISE DISCLOSURE DOCUMENT)

Franchisees Who Left the System In 2016

Terminations
Awakened Soul Investments
Centennial, CO
402-419-9475

Transfers
Debbie Jensen
Blair, NE
402-533-3447

Jason Radford
Lincoln, NE
402-419-9475

Reacquired by Franchisor
Catherine Reneau
Camas, WA
360-608-4142
(Store located in Colorado)

EXHIBIT H
(TO FRANCHISE DISCLOSURE DOCUMENT)

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EXHIBIT I
(TO FRANCHISE DISCLOSURE DOCUMENT)

State Addenda to FDD

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal Corp Code §§ 31000-31516 or the California Franchise Relations Act, Cal Bus & Prof Code §§20000-20043 applies, the terms of this Addendum apply

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW DBO CA GOV

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE

Item 3, Additional Disclosure

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq suspending or expelling such persons from membership in such association or exchange

Item 6, Additional Disclosure

The highest interest rate allowed by law in California is 10% annually

Item 17, Additional Disclosures

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)

The franchise agreement requires application of the laws of Nebraska This provision may not be enforceable under California law

The franchise agreement contains a liquidated damages clause Under California Civil Code §1671, certain liquidated damages clauses are unenforceable

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

The franchise agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A §101 et seq)

The franchise agreement requires binding arbitration The arbitration will occur in Omaha, Nebraska, with the cost being borne by the parties as determined by the arbitrator Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal Corp Code §§ 31000-31516 or the California Franchise Relations Act, Cal Bus & Prof Code §§20000-20043 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)

The Franchise Agreement requires application of the laws of Nebraska This provision may not be enforceable under California law

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

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events If the Franchise Agreement is inconsistent with the law, the law will control

The Franchise Agreement requires binding arbitration The arbitration will occur in Omaha, Nebraska, with the cost being borne by the parties as determined by the arbitrator Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill Comp Stat §§705/1 – 705/44 applies, the terms of this Addendum apply

Item 17, Additional Disclosures The following statements are added to Item 17

The Illinois Franchise Disclosure Act governs the Franchise Agreement

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void However, a franchise agreement may provide for arbitration outside of Illinois

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill Comp Stat §§705/1 – 705/44 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

The Illinois Franchise Disclosure Act governs the Franchise Agreement

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void However, a franchise agreement may provide for arbitration outside of Illinois

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

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 – 14-233 applies, the terms of this Addendum apply

Item 17, Additional Disclosures

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U S C A 101 et seq)

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

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

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§14-201 – 14-233 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

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

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR	**FRANCHISEE**
SCOOTER'S COFFEE, LLC	_____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn Stat §§80C 01 – 80C 22 applies, the terms of this Addendum apply

State Cover Page and Item 17, Additional Disclosures

Minn Stat Sec 80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn Stat Sec 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction

Franchisee cannot consent to the franchisor obtaining injunctive relief The franchisor may seek injunctive relief A court will determine if a bond is required

Item 13, Additional Disclosures

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim

Item 17, Additional Disclosures

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void

We will comply with Minn Stat Sec 80C 14, subds 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld

Minnesota Rule 2860 4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C 01 – 80C 22

The limitations of claims section must comply with Minn Stat Sec 80C 17, subd 5

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn Stat §§80C 01 – 80C 22 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn Stat Sec 80C 14, subd 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C 01 – 80C 22

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn Stat Sec 80C 14, subd 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure) Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are (1) voluntary abandonment of the franchise relationship by the franchisee, (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement, or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof

According to Minn Stat Sec 80C 21 in Minnesota Rules or 2860 4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn Stat 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn Stat Sec 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law

The Franchise Agreement contains a waiver of jury trial provision This provision may not be enforceable under Minnesota law

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm A court shall determine if a bond or other security is required

The Franchise Agreement contains a liquidated damages provision This provision may not be enforceable under Minnesota law

Any action pursuant to Minnesota Statutes, Section 80C 17, Subd 5 must be commenced no more than 3 years after the cause of action accrues

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Cover Page, Additional Disclosure

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271 THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT

Item 3, Additional Disclosure The last sentence in Item 3 is deleted and replaced with the following

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law as a result of 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

Item 4, Additional Disclosure Item 4 is deleted and replaced with the following

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document (a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code, (b) obtained a discharge of its debts under the Bankruptcy Code, or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership

Item 5, Additional Disclosures

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion

Item 17, Additional Disclosures

The following is added to the Summary sections of Item 17(c) and 17(m) 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 Section 687 4 and 687 5 be satisfied

The Summary section of Item 17(d) is deleted and replaced with the following language You may terminate the agreement on any grounds available by law

The following is added to the Summary section of Item 17(j) No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement

The following is added to the Summary sections of Items 17(v) and 17(w) 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

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695

The New York Franchise Law shall govern any claim arising under that law

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR
SCOOTER'S COFFEE, LLC

By _____
Its _____
Date _____

FRANCHISEE

_____

By _____
Its _____
Date _____

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the North Dakota Franchise Investment Law, N D Cent Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply

Item 17, Additional Disclosures The following statements are added to Item 17

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law Any mediation or arbitration will be held at a site agreeable to all parties If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable

The Franchise Agreement includes a waiver of exemplary and punitive damages This waiver may not be enforceable under North Dakota law

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the agreement For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury This waiver may not be enforceable under North Dakota law

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota That requirement may not be enforceable under North Dakota law

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages This requirement may not be enforceable under North Dakota law

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year To the extent this requirement conflicts with North Dakota law, North Dakota law will apply

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the North Dakota Franchise Investment Law, N D Cent Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law

The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law Any mediation or arbitration will be held at a site agreeable to all parties

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law This requirement may not be enforceable under North Dakota law

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota This requirement may not be enforceable under North Dakota law

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year To the extent this requirement conflicts with North Dakota law, North Dakota law will apply

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement For North Dakota

franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R I Gen Law ch 395 §§19-28 1-1 – 19-28 1-34 applies, the terms of this Addendum apply

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

> Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R I Gen Law ch 395 §§19-28 1-1 – 19-28 1-34 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

> Section 19-28 1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act "

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va Code §§13 1-557 – 13 1-574 applies, the terms of this Addendum apply

Item 17, Additional Disclosures

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U S C 101 et seq)

"According to Section 13 1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable "

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va Code §§13 1-557 – 13 1-574 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

> "According to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable "

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Washington Franchise Investment Protection Act, Wash Rev Code §§19 100 010 – 19 100 940 applies, the terms of this Addendum apply

Item 17, Additional Disclosure

The state of Washington has a statute, RCW 19 100 180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel

Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable

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

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Washington Franchise Investment Protection Act, Wash Rev Code §§19 100 010 – 19 100 940 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

The state of Washington has a statute, RCW 19 100 180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

WISCONSIN ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis Stat §§553 01 – 553 78 or Wisconsin Fair Dealership Law, Wis Stat §§135 01 – 135 07 applies, the terms of this Addendum apply

Item 17, Additional Disclosures

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency If this deficiency is cured within 60 days, the notice will be void If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency

For Wisconsin franchisees, Ch 135, Stats , the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law

WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis Stat §§553 01 – 553 78 or Wisconsin Fair Dealership Law, Wis Stat §§135 01 – 135 07 applies, the terms of this Addendum apply

1 Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135 04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply

2 Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement

3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect

This Addendum is being entered into in connection with the Franchise Agreement In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below

FRANCHISOR **SCOOTER'S COFFEE, LLC**	**FRANCHISEE** _____
By _____	By _____
Its _____	Its _____
Date _____	Date _____

EXHIBIT J
(TO FRANCHISE DISCLOSURE DOCUMENT)

General Release

General Release

(Form only subject to change)

For and in consideration of the Agreements and covenants described below, Scooter's Coffee, LLC ("Scooter's"), _____ ("Franchisee"), and _____ ("Franchisee Principals") enter into this Release of Claims ("Agreement")

RECITALS

A Scooter's Coffee LLC and Franchisee entered into a SCOOTER'S COFFEE Franchise Agreement dated _____, _____

B [NOTE Describe the circumstances relating to the release]

C Subject to and as addressed with greater specificity in the terms and conditions noted below, Scooter's, Franchisee and Franchisee Principals now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement

AGREEMENTS

1 **Consideration** [NOTE Describe the consideration paid]

2-3 [NOTE Detail other terms and conditions of the release]

4 **Release of Claims by Franchisee** Franchisee and Franchisee Principals (individually and as owners of Franchisee) and each of their respective heirs, successors, assigns, affiliates, shareholders, members, directors, employees, and agents, and on behalf of any other party claiming an interest through them (collectively and individually referred to as the "Releasing Parties" for purposes of Sections 3 and 4), release and forever discharge Scooter's, its predecessors, successors and affiliates, and past and present directors, officers, shareholders, agents, employees and assigns (collectively and individually referred to as the "Scooter's Parties" for purposes of Sections 4 and 5) of and from any and all claims, debts, liabilities, demands, costs, expenses, actions and causes of action, whether known or unknown, vested or contingent, which Releasing Parties may now or in the future own or hold, that in any way relate to the Franchise Agreement or any other agreement between Franchisee and/or the Franchisee Principals and Scooter's or the relationship by and among the Franchisee, the Franchisee Principals and Scooter's through the Effective Date (collectively, "Claims"), for known or unknown damages or other losses including, but not limited to, any alleged violations of any deceptive or unfair trade practices laws, franchise laws, or other local, municipal, state, federal, or other laws, statutes, rules or regulations, and any alleged violations of the Franchise

Agreement or any other agreement between Franchisee and/or the Franchisee Principals and Scooter's through and including the Effective Date

5 **Acknowledgement of Release** The release of Claims set forth in Section 4 is intended by the Releasing Parties to be a full and unconditional general release, as that phrase is used and commonly interpreted, extending to all claims of any nature, whether or not known, expected or anticipated to exist in favor of the Releasing Parties against the Scooter's Parties In making this voluntary express waiver, the Releasing Parties acknowledge that claims or facts in addition to or different from those which are now known to exist with respect to the matters mentioned herein may later be discovered and that it is the Releasing Parties' intention to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered claims or facts The Releasing Parties acknowledge that they have had adequate opportunity to gather all information necessary to enter into this General Release, and need no further information or knowledge of any kind that would otherwise influence the decision to enter into this General Release This release is and shall be and remain a full, complete, and unconditional general release The Releasing Parties acknowledge and agree that the foregoing waiver is an essential, integral and material term of this General Release The Releasing Parties further acknowledge and agree that no violation of this General Release shall void the release set forth in Section 4

6 **Reservation of Claims Against Non-Settling Parties** Scooter's and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties

7 **Entire Agreement** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement

8 **Voluntary Nature of Agreement** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms

9 **Governing Law and Jurisdiction** This Agreement will be construed and enforced in accordance with the law of the state of Nebraska

10 **Attorneys' Fees** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach

Dated _____, 20_____ **SCOOTER'S COFFEE, LLC**

By_____
Its_____

Dated _____, 20_____ **FRANCHISEE**

_____

By_____
Its _____

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 Scooter's Coffee, 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 If Scooter's Coffee, LLC offers you a franchise in Iowa or New York, it must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Scooter's Coffee, 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 your State's regulatory agency listed on Exhibit A

The name, principal business address, and telephone number of each franchise seller offering the franchise are Don Eckles, 6824 J Street, Omaha, NE 68117, Jennifer Chaney, 6824 J Street, Omaha, NE 68117, Todd Graeve, 6824 J Street, Omaha, NE 68117, Rob Streett, 6824 J Street, Omaha, NE 68117, and Kelly Crummer, 6824 J Street, Omaha, NE 68117, or is listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement _____

The issuance date is April 24, 2017

The name and address of the franchisor's registered agent authorized to receive service of process are set forth at Exhibit A to this disclosure document

I received a disclosure document dated April 24, 2017, that included the following Exhibits

A	List of State Agencies/Agents for Service of Process
B	Franchise Agreement
C	Multiple Store Development Agreement
D	Nondisclosure and Noncompetition Agreement
E	List of Stores, Franchisees and Area Representatives
F	Franchisees Who Have Left the System
G	Financial Statements
H	Table of Contents of Operations/Training Manual
I	State Addenda
J	Sample Release

Date _____ _____

(Do not leave blank) Signature of Prospective Franchisee

_____

Print Name

Copy for Prospective Franchisee

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 Scooter's Coffee, 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 If Scooter's Coffee, LLC offers you a franchise in Iowa New York, it must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship

If Scooter's Coffee, 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 your State's regulatory agency listed on Exhibit A

The name, principal business address, and telephone number of each franchise seller offering the franchise are Don Eckles, 6824 J Street, Omaha, NE 68117, Jennifer Chaney, 6824 J Street, Omaha, NE 68117, Todd Graeve, 6824 J Street, Omaha, NE 68117, Rob Streett, 6824 J Street, Omaha, NE 68117, and Kelly Crummer, 6824 J Street, Omaha, NE 68117, or is listed below (with address and telephone number) or will be provided to you separately before you sign a franchise agreement _____

The issuance date is April 24, 2017

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A	List of State Agencies/Agents for Service of Process
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E	List of Stores, Franchisees and Area Representatives
F	Franchisees Who Have Left the System
G	Financial Statements
H	Table of Contents of Operations/Training Manual
I	State Addenda
J	Sample Release

Date _____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

Copy for Scooter's Coffee, LLC