FRANCHISE DISCLOSURE DOCUMENT

VB Prime Inc.
A Delaware corporation
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Vitality Bowls restaurants operate superfood cafes offering high-quality, healthy, great-tasting, and affordable Acai or other superfruit bowls, invigorating smoothies, delicious paninis, toasts and wraps, salads, grain bowls and other healthy superfood options ("Vitality Bowls Restaurant(s)").

The estimated total investment necessary to begin operations for a Vitality Bowls Restaurant ranges from $208,800 and $683,140. This includes between $20,000 and $40,000 that must be paid to the franchisor or its affiliates.

Vitality Bowls area developers acquire the right to develop multiple Vitality Bowls Restaurants in a designated development area. The development fee is $40,000 for the first Restaurant to be developed under the Area Development Agreement, plus $30,000 for the second Restaurant, and $20,000 for each subsequent Restaurant to be developed under the Area Development Agreement. To develop five outlets as an Area Developer, the development fees would total $130,000. The total investment necessary to begin operation of a Vitality Bowls area developer business will depend on the number of Vitality Bowls Restaurants to be opened. A minimum of five outlets must be developed according to the Area Development Agreement. The total investment necessary to begin operation of your first Vitality Bowls Restaurant under an Area Development Agreement that requires the development and operation of five (5) outlets ranges from $298,800 to $773,140. This includes $130,000 that must be paid to the franchisor or affiliate. If you develop all five outlets, your total investment will be $974,000 to $3,345,700; this includes $130,000 you must pay to franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Roy Gilad, 156 Diablo Road, Suite 120, Danville, CA 94526 and (925) 498-2684.

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," is available from the FTC. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information.

In addition, there may be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 16, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising
Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

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

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

NOTICE REQUIRED BY
STATE OF MICHIGAN

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

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

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

(b) A requirement that the 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 terms 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 six (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 or 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.The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

(iii) 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 there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, "VBP," "we," "us," and "our" means VB Prime Inc, the franchisor. "You," and "your," means the person, and its owners if you are a business entity, who buys the franchise from VBP.

The Franchisor

We are a Delaware corporation formed on May 22, 2019. Our principal business address is 156 Diablo Road, Suite 120, Danville, CA 94526. Our predecessor, Vitality Bowls Enterprises, LLC (as described below) began offering franchises ("Vitality Bowls Franchise(s)" or "Franchise(s)") for Vitality Bowls Restaurants in January 2014 and we have continued to do so since acquiring their assets which was effective on January 1, 2020. We do business under our company name and the name Vitality Bowls. We are not involved in any other business activities. We do not conduct business in any other line of business, nor do we offer franchises in any other line of business. We do not conduct, and have never conducted, a business of the type described in this Franchise Disclosure Document, but our affiliates do.

Our agent for service of process in California is Roy Gilad,156 Diablo Road, Suite 120, Danville CA 94526. Our other agents for service of process are disclosed in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

Parents, Predecessors and Affiliates

Our Predecessor: Vitality Bowls Enterprises, LLC

In a transaction that was effective on January 1, 2020, we acquired all of the assets of our predecessor, Vitality Bowls Enterprises, LLC, a California limited liability company that was formed in November 2013 with a principal business address of 156 Diablo Road, Suite 120, Danville, CA 94526 (the "Restructuring"). Vitality Bowls Enterprises, LLC offered and sold franchises from January of 2014 until the Restructuring. As the successor to Vitality Bowls Enterprises, LLC, VB PRIME INC is now the franchisor for franchisees who signed franchise agreements with Vitality Bowls Enterprises, LLC. All franchisees who signed franchise agreements with Vitality Bowls Enterprises, LLC are disclosed in Item 20 as franchisees of VB PRIME INC.

Our Affiliates

Vitality Bowls corporation previously owned and operated a Vitality Bowls Restaurant in San Ramon, California from 2011 through May 2017.

Vitality Bowls Superfood Blends Inc. ("Superfood") is also an affiliate of VBP. Superfood is a Delaware corporation with a principal address at 156 Diablo Road, Suite 120, Danville CA 94526. Superfood does not currently, but may in the future, sell certain yogurt and smoothie products to franchisees as well as to various retail and wholesale outlets.

Vitality Bowls Private Label Inc. ("Private Label") is also an affiliate of VBP. Private Label is a Delaware corporation with a principal address at 156 Diablo Road, Suite 120, Danville CA 94526. Private Label does not currently, but may in the future, sell certain juice products to franchisees as well as to various retail and wholesale outlets.

Our Parents: Vitality Bowls Corporation and Roy and Tara Gilad

Roy and Tara Gilad, individuals, are the minority owners of VBP. Vitality Bowls Inc., a Delaware corporation, which also owns a majority interest in VBP. Vitality Bowls Inc. was originally formed in 2011 and owned all of the intellectual property of the Vitality Bowls system. In connection with the Restructuring, Vitality Bowls Inc. contributed its intellectual property to VBP in exchange for a majority interest in VBP. Vitality Bowls Inc. shares a principal address with VBP at 156 Diablo Road, Suite 120, Danville CA 94526. Vitality Bowls Inc. has never offered franchises in this or any other line of business.

We have no other predecessors or affiliates that currently offer franchises in any line of business, or provide products or services to you on our behalf (although they may in the future). We have no business other than offering franchises and assisting franchisees, and we have never offered franchises for any other type of business other than those described herein. We do not conduct business under any other name.

The Business

Vitality Bowls franchisees operate superfood cafes offering healthy Acai and other superfruit bowls, smoothies, panini's, wraps, and toasts, salads, grain bowls, and other healthy superfood options. Vitality Bowls Restaurants operate under our system ("System") using Vitality Bowls' trademarks, service marks, trade names, and logos (the "Marks") from an approved retail location ("Restaurant"). Typically, Vitality Bowls Restaurants are located in multi-tenant retail locations to take advantage of existing customer traffic; however, virtually any type of retail structure could be suitable for a Vitality Bowls Restaurant, subject to our site-selection criteria.

We offer a standard Franchise which is available to those persons who we deem qualified to operate a Vitality Bowls Restaurant. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C ("Franchise Agreement"). You may operate one (1) Vitality Bowls Restaurant for each Franchise Agreement you sign.

We also offer to select qualified persons ("Area Developers") the opportunity to sign our Area Development Agreement ("Area Development Agreement"), and acquire the right to develop multiple Vitality Bowls Restaurants in a designated development area ("Development Territory") in accordance with a specified development schedule ("Development Schedule"). The Development Territory will be established based on the consumer demographics of the Development Territory, geographical area, city, county, and other boundaries. Area Developers will be required to pay the nonrefundable initial franchise fees for all Vitality Bowls Restaurants to be developed under the Area Development Agreement at the time they sign the Area Development Agreement. If you enter into an Area Development Agreement, you must sign a Franchise Agreement for your first Vitality Bowls Restaurant ("Initial Franchise Agreement") at the same time that you sign the Area Development Agreement. You will be required to sign our then-current form of Vitality Bowls franchise agreement for each Vitality Bowls Restaurant that you develop under the Area Development Agreement (which may be different than the form of Franchise Agreement attached to this Disclosure Document), except that any additional franchise agreements signed pursuant to the Development Schedule will have the same royalty rate as the Initial Franchise Agreement. Unless otherwise stated, any reference in this Franchise Disclosure Document to "you" or "your" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.

Market and Competition

The primary market for Vitality Bowls Restaurants is the general public. Specifically, Vitality Bowls Restaurants serve customers seeking high-quality, healthy food options at reasonable prices. The market for fast food restaurants is very well developed and competitive. Your competitors include other delivery and fast casual restaurants, as well as other casual dining restaurants and other restaurants serving

a wide variety of other foods. You may have to compete with numerous other independent and chain-affiliated restaurants, some of which may be franchised. Many fast casual restaurant franchise systems, in particular, have already established national and international brand recognition.

Industry-Specific Laws and Regulations

The restaurant industry is heavily regulated. A wide variety of federal, state, and local laws, rules, and regulations have been enacted that may impact the operation of your Vitality Bowls Restaurant, and may include those which: (a) establish requirements for food identification and labeling; and (b) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free.".State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You must obtain all necessary permits, licenses, and approvals to operate your Vitality Bowls Restaurant. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Vitality Bowls Restaurant, and you should consider both their effect and cost of compliance.

Many local or state jurisdictions require food service permits for those preparing, handling and serving food to the public. You and your employees may be required to pass a test or other certification process to obtain these permits. There may also be local ordinances and regulations governing food storage, preparation and serving.

You must identify, investigate, satisfy, and comply with all laws, ordinances, and/or regulations applicable to your Vitality Bowls Restaurant, including employment, workers' compensation insurance, corporate, tax, public health, and similar laws and regulations, because they vary from place to place, can change over time, and may affect the operation of your Vitality Bowls Restaurant. You should consult with a legal advisor about whether these and/or other requirements apply to your Vitality Bowls Restaurant. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise stated, all Item 2 individuals are currently based out of our headquarters in Danville, California and have been based there since our headquarters relocated from San Ramon, California in 2019.

Co-Founder, Chief Executive Officer and Chairman of the Board: Roy Gilad

Mr. Gilad co-founded Vitality Bowls in May of 2019. Since that time, he has served as the CEO, CFO and Chairman of the Board . Prior to the Restructuring and the formation of VBP, Mr. Gilad served as the Co-Founder, CEO, CFO and Chairman of the Board of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013.

Co-Founder, President and Secretary: Tara Gilad

Ms. Gilad co-founded Vitality Bowls in May of 2019. Since that time, she has been our President and Secretary of the Board of Directors . Prior to the Restructuring and the formation of VBP, Ms. Gilad served as the Co-Founder, President and Secretary of the Board of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013.

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Vice President of Real Estate and Franchise Development: Uriah Blum

Mr. Blum has been our Vice President of Real Estate and Franchise Development since August 1, 2021. Previously, he was our Vice President of Operations since our inception in May of 2019. Prior to the Restructuring and the formation of VBP, Mr. Blum served as the Vice President of Operations of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013.

Director of Supply Chain and Logistics: Tammy Kyle

Ms. Kyle has been our Director of Supply Chain and Logistics since September of 2022. Before joining Vitality Bowls, she was the Director of Supply Chain – Purchasing for Saxco International in Concord, CA from January of 2019 through June of 2022. From December of 2012 through December of 2019, she was a Senior Manager – Product Development and Inventory Management with MacPherson Art in Emeryville, California.

Director of Public Relations and Marketing: Thea Blum

Ms. Blum has been our Director of Public Relations and Marketing since March 2015.

ITEM 3
LITIGATION

SEAS, LLC v. Vitality Bowls Enterprise, LLC, a California Corporation, Roy Gilad, an individual; and Tara Gilad, an individual, No. 1120015601, JAMS.

On or about January 29, 2020, Claimant ("SEAS"), a franchisee of Vitality Bowls Enterprises, LLC ("VBE"), initiated an arbitration action against filed suit against VBE and certain owners (collectively "Respondents") asserting claims for breach of contract, fraud and deceit, negligent misrepresentation, violations of the California Franchise Investment Law and violations of the California Franchise Relations Act, rescission and violations of the California Business and Professions Code Section 17200. The demand for arbitration sought unspecified damages, rescission, declaratory relief, injunctive relief, punitive or exemplary damages, attorneys' fees, costs, and expenses. On February 28, 2020, Respondents filed a response to the demand for arbitration denying all of the material allegations and filed a Cross-Claim for breach of contract and intentional misrepresentation. At the conclusion of a nine-day arbitration hearing, Claimants requested damages in the amount of $1,289,789.02 plus unspecified punitive damages on the claims asserted. In connection with an interim partial award, the arbitrator concluded that Claimant was only entitled to relief under the California Business and Professions Code, awarded rescission which terminated the franchise agreement and damages in the form of royalty and initial franchise fees in the amount of $162,584.00 on this claim and denied all of Claimant's other claims for relief. On September 28, 2021, the parties entered into a settlement agreement, under which the parties dismissed the arbitration proceedings, the parties exchanged mutual releases and Vitality Bowls Enterprises, LLC agreed to pay Claimant $162,584.00 and Claimant's attorneys' fees and costs incurred in connection with the action.

Maxsam Partners, LLC v. Vitality Bowls Enterprises, LLC (JAMS Reference No. 1100082598)

On or about October 20, 2015 Maxsam Partners, LLC, a Vitality Bowls franchisee and area developer, filed a Demand for Arbitration with the American Arbitration Association against Vitality Bowls Enterprises, LLC. The Demand for Arbitration was voluntarily dismissed by Maxsam Partners and a new Demand for Arbitration was filed before the Judicial Arbitration and Mediation Services on October 30, 2015. The Demand for Arbitration alleges breaches of the franchise agreements and the area development agreement, Breach of the Covenant of Good Faith and Fair Dealing, violation of California Franchise Relations Act, fraud, intentional and negligent misrepresentation, violation of California

Franchise Investment Law, promissory estoppel and violation of California's Unfair Competition Law. The Demand for Arbitration seeks unspecified damages in an amount exceeding $3,000,000, a declaration that all agreements between the parties be rescinded, interest, attorney fees and costs. We filed a cross claim against MaxSam Partners, LLC for trademark infringement, unfair competition, intentional misrepresentation, breach of the covenant of good faith and fair dealing, specific performance and injunctive relief on February 16, 2016. We filed a lawsuit against Maxsam in the Superior Court of the State of California, County of Contra Costa, Case No. C16-00240 entitled *Vitality Bowls Enterprises, LLC v. Maxsam Partners, LLC* (the "Action") for trademark infringement, unfair competition, intentional misrepresentation, breach of the covenant of good faith and fair dealing, specific performance and injunctive relief. On March 11, 2016, the Action was stayed pending the outcome of the Arbitration. We entered into a settlement agreement with Maxsam Partners, LLC on or about June 23, 2016 pursuant to which the parties settled the arbitration, the Action and all claims and matters between the parties (the "Settlement Agreement"). Under the terms of the Settlement Agreement, the parties exchanged mutual releases and VBE paid to Maxsam the sum of $500,000 in settlement of the claims, and $300,000 for the sale and transfer of the Pleasant Hill franchise owned by Maxsam.

Other than this action, 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

Initial Franchise Fee

The "Initial Franchise Fee" for a single Vitality Bowls Restaurant is $40,000. The Initial Franchise Fee is payable when you sign your Franchise Agreement or the Area Development Agreement, if applicable. If you purchase multiple Vitality Bowls Restaurants at the time of signing the initial Franchise Agreement, the Initial Franchise Fee will be $30,000 for your second and each additional Vitality Bowls Restaurant. Each Franchise Agreement will grant you the right to operate one (1) Vitality Bowls Restaurant. For clarity, you will only be entitled to the discounted initial franchise fee for your second and subsequent Vitality Bowls Restaurants if you sign multiple Franchise Agreements simultaneously with the signing of your initial franchise agreement for your first Vitality Bowls Restaurant.

Initial Franchise Fees are uniform, fully earned by us when paid, and are not refundable under any circumstances.

If you fail to open the Vitality Bowls Restaurant within 12 months of the signing of the Franchise Agreement, you will be required to pay us an "Opening Extension Fee" of $250 per week until the Vitality Bowls Restaurant is open.

Development Fee

Qualified franchise applicants may also purchase the rights to open multiple Vitality Bowls Restaurants by signing our Area Development Agreement for a minimum of five stores and paying a "Development Fee" which is equal to $40,000 for the first Restaurant to be developed under the Area Development Agreement, plus $30,000 for the second Restaurant, and an additional $20,000 for each subsequent Restaurant to be developed under the Area Development Agreement. For instance, if you sign an Area Development Agreement for the development of five Restaurants, you must pay us a Development

Fee equal to $130,000. If you sign an Area Development Agreement, you will be required to sign our then-current version of Vitality Bowls franchise agreement for each Restaurant you are required to develop, but you will not be required to pay an Initial Franchise Fee (all other fees will apply). The Development Fee is uniform, payable when you sign your Area Development Agreement, and is nonrefundable under any circumstances, even if you fail to open any Vitality Bowls Restaurants.

Veteran Discount

We offer a discount of ten percent (10%) of the Initial Franchise Fee to Veterans who qualify and who purchase a Vitality Bowls franchise. We reserve the right to cancel or modify this program at any time.

Fee Deferral

Some states have imposed a fee deferral. Please refer to the Addendum in Exhibit H to the Franchise Disclosure Document.

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ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty[2]	6% of Gross Sales	Due on Monday of each week.	The "Royalty" is based on "ss Sales" (see Note 2) during the previous week.
Brand Fund Contribution	Up to 3% of Gross Sales . Currently 2% of your weekly Gross Sales.	Same as Royalty	This contribution is based on Gross Sales during the previous week and will be used for a system-wide "Brand Fund".
Local Advertising Payment	The difference between the amount you spent on local advertising each month and your required local advertising expenditure	Payable after receipt of invoice	If you fail to meet your required local advertising requirement on local advertising, we may require you to pay to us the difference between the amount you spent and the required advertising expenditure, which, at our option, will be expended in your local market for advertising purposes, or will be contributed to the Brand Fund. You may be required to pay up to 2% of your Gross Sales on Local Advertising. The Local Advertising Payment is not currently required.
Local Marketing Cooperative	Established by cooperative members	Established by cooperative members	We currently do not have a cooperative (and accordingly no cooperative fees are charged currently) but we reserve the right to require one to be established in the future. Item 11 contains more information about advertising cooperatives.
Unauthorized Advertising Fee	$250	Upon demand	This fee is payable to the Brand Fund, if established, otherwise to us, if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Insurance	Reimbursement of our costs plus a 20% administration charge	On demand	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us for the cost of insurance obtained plus 20% of the premium for an administrative cost of obtaining the insurance.

Additional Training or Assistance Fees[3]	Then-current fee (currently approximately $600 per day plus expenses)	As incurred	We may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer.
Technology Fee	Up to $500 per month; currently $125 per month	Monthly	This fee covers certain technologies used in the operation of your Vitality Bowls Restaurant, which technologies may include use of our online systems, website, e-mail, data sharing, music streaming, third-party software licensing fees and other Internet-related functions and future developed technology. We collect this fee with the first week's Royalty of each month. We reserve the right to upgrade, modify and add new the software. We provide one (1) Vitality Bowls e-mail per Franchise. You may purchase additional e- mail accounts at the then-current cost (currently $5 per month). The Technology Fee may not be uniform and may vary depending on the technology services we provide to the franchisee. We reserve the right to increase the Technology Fee upon thirty (30) days notice to you, provided that in no event will the Technology Fee exceed $500 per month
Taxes	Amount assessed by federal, state, and local tax authorities on any payments you make to us	Upon demand	Payable if we are assessed any taxes on any payments you make to us (including sales, gross receipt, excise, use, or similar taxes, but not income taxes).
Convention Fee	The then-current fee (currently estimated to be $500 per person)	Upon demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year. This fee does not include costs you will incur relating to travel and lodging to attend the convention. We did not hold an

			annual convention during 2021.
Supplier and Product Evaluation Fee	Costs of inspection and test of sample; estimated between $500 and $1,500	As incurred	Payable if we inspect a new product, service or proposed supplier nominated by you.
Franchise Operations Manual Replacement Fee	Then-current replacement fee; Currently $500	Upon demand	Payable if your copy of the franchise operations manual we loan to you is lost, destroyed or significantly damaged.
Customer Issue Resolution	Varies; reasonable costs we incur for responding to a customer complaint, which will typically be between $20 and $100.	Upon demand	Payable if a customer of the Vitality Bowls Restaurant contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Payment Service Fees	Up to 3% of total charge	As incurred	If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of up to 3% of the total charge.
Late Payment Fee	$100 per occurrence, plus lesser of the daily equivalent of 15% per year simple interest or the highest rate allowed by law	As incurred	Payable if any payment due to us is not made by the due date. Interest accrues from the original due date until payment is received in full.
Returned Check Or Insufficient Funds Fee	$100 per occurrence (or $30 per occurrence for Minnesota franchisees)	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event.
Failure to Submit Required Financial Report Fee	$100 per occurrence and $100 per week	Your bank account will be debited for failure to submit any requested report within five (5) days of request	Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the Brand Fund, if established, otherwise to us. You will continue to incur this fee until you submit the required report.

Audit	Cost of audit plus late fee of 1.5% interest per month on understatement (we estimate this cost to be between $1,500 and $15,000)	Upon demand	Payable if an audit reveals an understatement of at least 2% of Gross Sales for any month or if you fail to submit required reports.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Vitality Bowls Restaurant or Franchise.
Management Fee	$500per day per representative, plus costs and expenses	As incurred	Payable if we manage the Franchise after you materially breach the Franchise Agreement, or upon your death, disability, or prolonged absence.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Successor Franchise Fee	$10,000	At the time you sign the successor franchise agreement	Payable if you qualify for a successor franchise and choose to enter into a successor franchise agreement. This fee is commonly referred to as a “renewal fee.”
Relocation Fee	Our costs up to $1,500	As incurred	You must reimburse us for our reasonable expenses if we permit you to relocate your Vitality Bowls Restaurant. We will provide you with copies of our invoices for our expenses from any third party providers upon request.

Transfer Fee	$ $12,000 for "in-system" transfers; and $ 24,000 for "out of system" transfers; plus our costs and expenses, which may include broker fees. If you sign an Area Development Agreement and you wish to add a new owner to an entity formed to open and operate a Restaurant under the ADA, you must pay us a $750 transfer request fee at the time of your request.	$1,000 nonrefundable deposit at time of transfer application submittal and the remaining balance of fee at time of approved transfer	If you wish to effectuate a transfer (as defined in the Franchise Agreement) to a person that has already been approved by us and owns an interest in an existing Vitality Bowls franchise, you will pay us a transfer fee of $12,000; For all other transfers, you will pay us a transfer fee of $24,000. In addition to the transfer fee, you will also be responsible for our costs and expenses incurred in connection with the transfer, including legal and brokerage fees, as applicable.
Liquidated Damages[(4)]	Will vary under the circumstances. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with date you open your Restaurant through the date of early termination, multiplied by the lesser of: (i) thirty-six (36), or (ii) the number of full months remaining in the term, except that Liquidated Damages will not, under any circumstances, be less than thirty thousand dollars ($30,000).	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

Failed Inspection or Audit	Actual costs.	Immediately upon request.	If we conduct an inspection or audit of your franchised operation, and the results are not satisfactory to us, and/or if we learn that you have offered unauthorized products or services at your Vitality Bowls Restaurant, you shall reimburse us for all costs we incur during the inspection and enforcement process (including, but not limited to, the time and travel expenses of our representatives)..
ADA Extension Fee	$2,000 per extension	Due upon receipt of invoice, before the grant of the extension is approved.	If you sign an ADA and you request an extension to a Development Period, we may condition the grant of the extension on your payment of an extension fee of $2,000 per extension.
Third-Party Delivery Service Fees(5)	All costs and fees.	Upon invoice.	Payable only if we require your Vitality Bowls Restaurant to utilize the services of one or more of our third-party food ordering/delivery services and we pay the third-party fees for you.

Notes:

1. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document as Exhibit H). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Vitality Bowls Restaurants, the fees indicated in the chart above are the fees charged and/or incurred for each Vitality Bowls Restaurant under the terms of each franchise agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. Gross Sales. The term "Gross Sales" means the total of all revenue and income from the sale of all Vitality Bowls Restaurant food products, beverages, and other related merchandise, products, and services to your customers, whether or not sold or performed at or from your Restaurant, , and all income and revenue of every other kind and nature related to your Vitality Bowls Restaurant operation, whether received in cash, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received), or otherwise but not including: (a) any sales taxes or other taxes you collect for transmittal to the appropriate taxing authority; or (b) any bona fide, documented refunds and credits you make in good faith to customers in accordance with our policies (but only if the original amounts were included in Gross Sales).

   For purposes of calculating "Gross Sales", the following shall also apply:

(i) All barter and/or exchange transactions in which you furnish services and/or products in exchange for goods and/or services provided to you by a vendor, supplier, or customer will, for the purpose of determining Gross Sales, be valued at the full retail value of the goods and/or services so provided to you

(ii) If you offer any services, including catering, delivery or special events, all of these transactions (including additional delivery or fees) must be entered into the POS System at the full, standard retail price and shall be included in the calculation of "Gross Sales". We reserve the right, in our sole discretion, to access and audit your financial records with any third-party delivery service to ensure the sales data you report to us or input into the POS System are accurate .

(iii) "Gross Sales" shall include the full redemption value of any gift certificate or coupon sold for use at your Restaurant (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation).

(iv) "Gross Sales" shall not be reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow your Vitality Bowls Restaurant to do business.

(See Franchise Agreement, Definitions section, for a complete definition of Gross Sales).

3. Additional Training or Assistance Fees. If you request, or we require, additional or ongoing training, you will be required to pay us our then-current fee. You will also need to pay for the cost of travel, lodging, and other personal expenses for each person attending the initial and recurring training programs.

4. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Royalties and Brand Fund contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with date you open your Restaurant through the date of early termination, multiplied by the lesser of: (i) thirty-six (36), or (ii) the number of full months remaining in the term, except that Liquidated Damages will not, under any circumstances, be less than thirty thousand dollars ($30,000).

5. Third Party Delivery Services. We reserve the right to require you to participate in one or more third-party food ordering and delivery services with one or more suppliers who we have approved on behalf of the System (each, a "System Designated Third-Party Delivery Service"). In the event that we contract with any System Designated Third-Party Delivery Service directly, you shall be required to reimburse us for your pro-rata share of any costs or fees we pay to the System Designated Third-Party Delivery; alternatively, in our sole discretion, we reserve the right to require you to make payment to the System Designated Third-Party Delivery Service directly on your own behalf. Upon request, we may also allow you to utilize other non-system designated third-party food ordering or delivery services at your Vitality Bowls Restaurant. You may not utilize any such non-system designated third-party services without first obtaining our written approval. Your engagement and utilization of any such non-system designated third-party must be in strict compliance with the standards set forth in the confidential Franchise Operations Manual. In the event that you engage the services of any such non-system designated third-party services, any associated costs or fees charged in connection therewith shall be at your sole cost and expense.

6. General. Except as otherwise disclosed in this Item, for all franchises offered pursuant to this disclosure

document, all fees described in this Item 6 are uniformly imposed. Franchisees who joined the system before the issuance date of this Disclosure Document may be required to pay the same or different fees at varying rates.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TABLE 1

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[(1)]	$40,000	$40,000	Lump sum	Upon signing Franchise Agreement	Us
Rent, Security Deposit, Utility Deposit [(2)]	$2,000	$15,000	As arranged	Before opening	Third Parties, including Utility Companies
Leasehold Improvements[(3)]	$44,800	$388,200	As arranged	As arranged	Landlord, and Approved Supplier
Furniture, Fixtures and Equipment[(4)]	$47,900	$66,940	As incurred	As arranged	Approved Suppliers
Initial Inventory and Supplies[(5)]	$3,000	$12,000	As supplier requires	Before opening	Approved Suppliers
Insurance[(6)]	$5,000	$10,000	As supplier requires	As arranged	Designated or Approved Insurance Providers
Business Licenses and Permits[(7)]	$3,000	$15,000	As incurred	As agreed	Third Parties
Professional Fees[(8)]	$2,100	$10,000	As arranged	As arranged	Your Attorneys, CPA's, and Other Professionals; Approved Accounting & Payroll Service
Signage[(9)]	$2,000	$15,000	As supplier requires	As incurred	Approved Suppliers
Computer and Software[(10)]	$7,500	$12,000	As incurred	As agreed	Approved Suppliers
Grand Opening Promotion[(11)]	$10,000	$15,000	As arranged	As incurred	Approved Suppliers
Training Expenses[(12)]	$1,000	$2,500	As incurred	As agreed	Airline, Hotel, Restaurants, etc.
Training Wages	$2,000	$5,000	As incurred	As agreed	Employees

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Additional Funds – 3 Months[13]	$38,500	$76,500	As agreed	As incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT [14]	$208,800	$683,140			
Area Developer	If you purchase multiple Vitality Bowls Restaurants under the Area Development Agreement, you will incur all costs listed above for each Vitality Bowls Restaurant that you open except that you will not be required to pay an Initial Franchise Fee but will be required to pay a Development Fee as explained in Item 5.				

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Vitality Bowls Franchise. We do not offer direct or indirect financing for these items. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Vitality Bowls Franchises. Your costs will also depend on factors such as how well you follow our methods and procedures; your management skills; your business experience and capabilities; local economic conditions; the local market for our products and services; the prevailing wage rates; competition; and sales levels reached during your initial phase of business operations. For all franchises offered pursuant to this disclosure document, all fees and expenditures paid to us or our affiliates are uniform. All fees and expenditures paid to us are deemed fully earned and non-refundable upon payment. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. The Initial Franchise Fee for a single Vitality Bowls Restaurant is $40,000. The Initial Franchise Fee is payable when you sign your Franchise Agreement. If you purchase multiple Vitality Bowls Restaurants simultaneously, at the time of signing the initial Franchise Agreement, the Initial Franchise Fee for your second and each subsequent Vitality Bowls Restaurant will be $29,500.

   If you are granted the opportunity to enter into an Area Development Agreement, you and we will agree to an area to be defined in the Area Development Agreement as the "Development Area". The Area Development Agreement will specify the number of Restaurants you are required to open under the Area Development Agreement (the "ADA Restaurants"). The Development Fee you will pay to us under the Area Development Agreement to develop a minimum of five (5) restaurants will be equal to $40,000 for your first Restaurant, plus $29,500 for your second Restaurant, and $20,000 for each additional Restaurant you are required to Develop under your Area Development Agreement. You will also incur initial investment costs and expenses as estimated in our then-current Item 7 disclosure (except for the Initial Franchise Fee) in connection with the development of each Restaurant. The current estimated range is listed in the above Table. The initial investment ranges for the development of Restaurants may increase in the future, without restriction.

   The estimate in the above Table does not include the build-out of any Vitality Bowls Restaurant

other than the first one. The low-end estimate represents the reduced Initial Franchise Fee if you are signing a franchise agreement for your second or subsequent Vitality Bowl Restaurant.

2. Rent, Security Deposit, Utility Deposit. This estimate covers the first three (3) months of rental payments, an initial security deposit, and a utility deposit. We estimate that a typical Vitality Bowls Restaurant will need between 750 and 1,800 square feet of space. There are a variety of factors that can affect lease rates, the most prominent being location and market conditions. In addition, some leases are triple net leases which require the tenant to pay rent plus all taxes, insurance, and maintenance expenses, while other leases may charge a variable rent based on a percentage of your income, with no fixed minimum rental charge. This estimate does not account for triple net expenses or other amounts beyond the base rental rate. You should investigate lease rates in your own area.

3. Leasehold Improvements. The cost of construction build-out before occupying the leased premises for your location, including the cost of design, architectural services and services performed by our required suppliers for construction and architectural services will vary depending on the size, state, city or area in which you will build your unit. The location, condition of the premises as turned over from your landlord, the demand for the premises among prospective lessees, the sites' previous use (e.g. if the site was previously used as a restaurant, your costs will be lower) and the extent of the improvements required will have a significant impact on total cost. The low end of the cost assumes that the franchisee will only be required to engage in minimal design and/or renovation work, with minimal (if any) work being required for painting, tile, lighting, electrical, plumbing, wall/partition movement The high end of the cost assumes that you will be occupying leased premises that require a complete buildout, including, but not limited to, new HVAC, electrical, plumbing, flooring, fixtures, and construction or new walls. Typically, costs are higher in larger metropolitan areas and areas with significant population growth or if you choose premises in excess of our recommended range. In addition, the range disclosed is the range of costs after deducting any landlord allowances (tenant improvements, rent deduction and the like) which may or may not be granted by you landlord. Your construction cost may be higher depending on all of the factors described in this note.

4. Furniture, Fixtures and Equipment. This estimate involves the furniture, fixtures, and equipment you will need to open a Vitality Bowls Restaurant, such as chairs, tables, refrigerators, freezers, and other items. Some of these expenses will depend on Vitality Bowls Restaurant size, shipping distances, supplier chosen, and your credit history. Our estimates are based on our experience, the experience of our affiliates, and our current requirements for Vitality Bowls Franchises.

5. Initial Inventory and Supplies. You must have an opening inventory and supply items on hand when you begin the operation of your Vitality Bowls Restaurant.

6. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Vitality Bowls Restaurant, your rates may be significantly higher than those estimated above.

7. Business Licenses and Permits. You must obtain all necessary permits and licenses required by applicable law before you begin operation of the Vitality Bowls Restaurant. This includes the food handler's certification for certain employees.

8. Professional Fees. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this Franchise offering. Rates for professionals can vary significantly based on area and experience. You must use an approved professional bookkeeping, accounting and payroll services provider. If you elect to use our approved supplier of Human Resources services, you will incur additional fees.

9. Signage. The estimate is the cost of the interior and exterior signs you will need for your Vitality Bowls Restaurant.

10. Computer and Software. You must purchase our designated point-of-sale system, a computer, a fax machine, business stationery, security equipment, and certain other related items necessary to operate and manage the Vitality Bowls Restaurant in a professional manner according to our System standards. See Items 6 and 11 for additional information.

11. Grand Opening Promotion. You must spend at least $10,000 on a grand opening advertising campaign that meets our standards and specifications. We encourage you to spend more on your grand opening advertising campaign, however you are only contractually required to spend $10,000. The $10,000 does not include costs associated with labor during the Grand Opening Promotion.

12. Training Expenses. This estimates the expense you will incur in sending two (2) individuals to our initial training program, including travel expenses. We do not charge a fee for training. These estimates do not include any salary or wages you may pay to any of your trainees for the time they spend in training.

13. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three (3)-month start-up phase of your Restaurant. They include payroll, uniforms, administrative, janitorial, maintenance, utilities, and other items. These figures do not include standard pre-opening expenses, Royalties or Brand Fund contributions payable under the Franchise Agreement or debt service, and assume that none of your expenses are offset by any sales generated during the start-up phase. For purposes of this disclosure, we estimated the start- up phase to be three (3) months from the date the Restaurant opens for business. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the Restaurant. You must bear any deviation or escalation in costs from the estimates that we have given. Your costs will depend on factors such as: how well you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; the sales level reached during the start-up period; and the size of your Restaurant. Additional funds for the operation of the Vitality Bowls Franchise will be required after the first three (3) months of operation if sales produced by the Vitality Bowls Franchise are not sufficient to produce positive cash flow.

14. Figures May Vary. This is an estimate of your initial startup expenses for one (1) Vitality Bowls Franchise. In preparing these estimates, we have relied on the experience our affiliates that operate Vitality Bowls Restaurants. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Vitality Bowls Franchise. Your costs will depend

on factors such as: how closely you follow our methods and procedures; your management skills, experience, and business acumen; local economic conditions; the local market demand for your product; the prevailing wage rate; competition; and the sales level reached during the initial period. You should conduct your own independent investigation of the costs of opening a restaurant in the geographic area in which you intend to open the Vitality Bowls Franchise. Additional funds for the operation of the Vitality Bowls Franchise will be required after the first three (3) months of operation if sales produced by the Vitality Bowls Franchise are not sufficient to produce positive cash flow. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

TABLE 2

AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Area Development Fee (Note 1)	$130,000 *[if you sign an Area Development Agreement for five Restaurants.]*	Lump Sum	At the Signing of the Development Agreement	Us
Initial Investment for your first Restaurant to be developed under the Development Agreement (Note 2)	$168,800 -$643,140 *[The initial investment range disclosed in Table 1 for the* first *Restaurant Developer is obligated to open under the Area Development Agreement, less the initial franchise fee disclosed in Table 1.]*	See Table 1 Above for Detail	See Table 1 Above for Detail	See Table 1 Above for Detail
TOTAL (Notes 1 & 2)	$298,800 - $773,140 *[Total Amount includes an Area Development Agreement for five Restaurants, Training Fee and the Initial Investment for your* first *Restaurant.]*			

Notes.

Note 1. If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the "Development Area." The Development Agreement will specify the number of Vitality Bowls Restaurants you are required to open under the Development Agreement, with a minimum of five Vitality Bowls Restaurants. The total investment necessary to begin operation of a Vitality Bowls area developer business will depend on the number of Vitality Bowls Restaurants to be opened pursuant to the Development Agreement. The Area Development Fee you will pay to us under the Development Agreement will be equal to $40,000 for the first Restaurant to be developed under the Area Development Agreement, plus $30,000 for the second Restaurant, and $20,000 for each subsequent Restaurant to be developed under the Area Development Agreement (e.g., for an Area Development Agreement that obligates you to open five Vitality Bowls Restaurants, your Area Development Fee will be One Hundred and Thirty Thousand Dollars ($130,000). The Area Development Fee is due upon signing the Area Development Agreement. Prior to developing each Vitality Bowls Restaurant you are obligated to develop pursuant to your Area Development Agreement, You (or your approved affiliate) must sign our then-current Franchise Agreement. If you are unable to open the Vitality Bowls Restaurant you are obligated to open under the Development Agreement, or if the Development Agreement is terminated for any reason, you will not receive any refund of any portion of the Development Fee, the Initial Franchise Fee or any other fees paid to us.

Note 2. The Initial Investment estimate for the first Vitality Bowls Restaurant to be developed under an Area Development Agreement was derived from the Total Estimated Initial Investment range set forth above in Table 1, less the initial franchise fee of $40,000; the Initial Investment estimate set forth in Table 2 will apply to each Vitality Bowls Restaurant you are obligated to open and operate under the Area Development Agreement. Table 2 includes the estimated initial investment range for the first Vitality Bowls Restaurant you are obligated to open. The total investment necessary to begin operation of a Vitality Bowls area developer business will depend on the number of Vitality Bowls Restaurants to be opened. You will incur initial investment expenses for each Vitality Bowls Restaurant you are required to open and operate under the Area Development Agreement. These expenses may increase over time.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Vitality Bowls Restaurant according to our System and specifications. This includes purchasing or leasing all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, professional services, bookkeeping and accounting services, and real estate related services to establishing and operating the Vitality Bowls Franchise under our specifications, which may include purchasing these items from: (i) our designees, (ii) approved suppliers, and/or (iii) us or our affiliates, as we designate. You must not deviate from these methods, standards and specifications without our prior written consent or otherwise operate in any manner which reflects adversely on our Marks or the System. Without limiting the foregoing restriction, you must sell and offer for sale only those items, products and services that we expressly approve for sale in writing. You must immediately discontinue offering for sale any items, products and/or services we may disapprove in our discretion upon your receipt of written notification from us.

Our confidential operations manual ("Franchise Operations Manual") states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Vitality Bowls Franchise, and approved vendors for these products and services. We will notify you of new or modified standards, standards and guidelines through periodic amendments or supplements to the Franchise Operations Manual or through other written communication (including

electronic communication such as e-mail or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use, only fixtures, furnishings, equipment, signs and supplies (collectively, the "Operating Assets") that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing. We may require you to purchase any or all of the Operating Assets from our designated or approved suppliers.

Currently, we require you to use our designated exclusive vendors for real estate brokerage services, site design and architecture services, pre-construction services, on-site construction and up- fitting of your Restaurant, restaurant management software, music streaming services, insurance coverage, social media marketing services, and PEO.

We utilize proprietary food products and recipes and may continue to develop and own proprietary recipes. In order to protect their trade secrets and to monitor the manufacture, packaging, processing, and sale of proprietary food products, we or our affiliates may: (i) manufacture, supply, and sell proprietary food products to Vitality Bowls franchisees; and/or (ii) disclose the formula for methods and preparation of the proprietary food products to a limited number of suppliers, including one (1) or more of our affiliates, who we authorize to manufacture these proprietary food products to our precise specifications and sell these products to Vitality Bowls franchisees. You must purchase the proprietary products we, or our affiliates, develop from time to time, pursuant to secret recipes or formulas, and purchase them only from us, our affiliate or a third party who we have licensed to prepare and sell the products. All non-proprietary ingredients, beverage products, cooking materials, containers, cartons, bags, menus, napkins, other paper and plastic products, utensils, uniforms and other supplies and materials used in your Restaurant must strictly conform to our reasonable specifications and quality standards. We may require you to purchase any or all of these items from our designated or approved suppliers. Additionally, certain products such as plates, cups, boxes and containers bearing the trademarks must be purchased by you from certain suppliers, approved by us, who are authorized to manufacture these products bearing our trademarks.

We are not currently an approved supplier of any goods or services provided to franchisees. None of our affiliates are currently an approved supplier of any goods or services provided to franchisees; however, an approved (but not exclusive) supplier of accounting and bookkeeping services (K.A.D.) is owned by a relative of one of our officers. We, and our affiliates, reserve the right to become exclusive and/or approved suppliers of any item, product and/or service, including proprietary food products and nonproprietary products. None of our officers currently own an interest in any approved supplier of products or services to our franchisees; however, two of our officers own affiliated companies (Superfoods and Private Label) which may, in the future, become exclusive or approved suppliers of certain items or products.

You must at all times maintain an inventory of approved food products, beverages, ingredients and other products in sufficient quantities and variety to realize the full potential of your Restaurant. You must use the menus and menu boards that we designate and serve meals and products in the manner we designate.

You must use the computer hardware and software, including the restaurant management and point-of-sale system, which we periodically designate to operate your Vitality Bowls Franchise. You must obtain the computer hardware, software licenses, maintenance and support services, and other related services that meet our specifications from the suppliers we specify. You must obtain the insurance coverage required under the Franchise Agreement. Currently, you must work with our designated insurance professional to secure insurance coverage from our designated provider (or as designated by the insurance professional or otherwise approved by us in writing). In any event, the insurance company must be authorized to do business in the state where your Restaurant is located and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies, and/or require different or additional insurance coverage at any

time. All insurance policies must name us and any affiliates we designate as additional insured parties.

We will provide you with a list of our designated and approved suppliers in our Franchise Operations Manual or in other written materials.

If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for services and products that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We anticipate that this fee will range from $500 to $1,500. We apply the following general criteria in approving supplier proposed by you: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to Vitality Bowls Franchises to ensure timely deliveries of the product or service; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products.

We reserve the right to revoke our approval of any supplier, product or service at any time for any reason. We will send written notice of any revocation of an approved supplier, product or service. You must immediately stop purchasing disapproved products and/or services, or must immediately stop purchasing from a disapproved supplier, by the date specified in our written notice informing you of the revocation.

We do not guarantee the availability of independent sources of supply for any particular item, product or service required to established or operate your Restaurant. We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve. Currently, we do not have any purchasing or distribution cooperatives serving our franchise System.

During its fiscal year ended December 31, 2023, we derived $226,000.00 on account of franchisee purchases, which was 7.35% of our total revenue as disclosed on VBP's most recent audited financial statements . This amount was paid from three separate vendors on account of franchisee purchases from those vendors.

We estimate that approximately 75% of purchases and leases of goods and services required to open your Vitality Bowls Restaurant are from required purchases and leases, and approximately 45% of purchases and leases of goods and services required to operate your Vitality Bowls Restaurant will be from required purchases and leases.

We, and our affiliates, may derive revenue and other material benefits, including receiving rebates, from some suppliers based on your purchase of products and/or services, and we have no obligation to pass them on to you or any of our franchisees or use them in any particular manner. We and our affiliates may also derive revenue from your purchases from us and/or our affiliates without limitation, including through mark-ups on your purchases.

We have entered into purchase agreements (including pricing terms) for certain food products from certain suppliers to help manage costs effectively throughout the year. As of the issuance date of this Disclosure Document, system suppliers of certain food products pay our affiliate rebates of approximately 2% of total purchases made. Otherwise, as of the issuance date of this disclosure document, we have not negotiated purchase agreements with suppliers or established purchasing or distribution cooperatives, and we do not at this time receive rebates, credits or marketing allowances on these agreements.

We do not guarantee the availability of independent sources of supply for any particular product, service, or item required to established or operate your Vitality Bowls Restaurant. We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve. Currently, we do not have any purchasing or distribution cooperatives serving our franchise System.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
(a) Site selection and acquisition / lease	Sections 4.01 and 4.02 in Franchise Agreement	Items 7 & 11
(b) Pre-opening purchases / leases	Sections 4.04 and 4.05 in Franchise Agreement	Items 6, 7 & 8
(c) Site development and other pre-opening requirements	Section 4.03 in Franchise Agreement	Items 6, 7 & 11
(d) Initial and ongoing training	Sections 6.02, 6.03 and 6.04 in Franchise Agreement	Item 6, 7, 11 & 15
(e) Opening	Section 4.06 in Franchise Agreement	Item 11
(f) Fees	Sections 3, 4, 5, 7, 8, 14, 15, and 18 in Franchise Agreement and Sections 3, 4 and Attachment A in Area Development Agreement	Items 5, 6 & 7
(g) Compliance with standards and policies / operating manual	Sections 5.01, 5.07 and 9 in Franchise Agreement	Items 8, 11, 14 & 16
(h) Trademarks and proprietary information	Sections 9, 10 and 11 in Franchise Agreement and Section 10 in Area Development Agreement	Items 13 & 14
(i) Restrictions on products / services offered	Section 5.10 in Franchise Agreement	Items 8 & 16
(j) Warranty and customer service requirements	Section 5.07 in Franchise Agreement	Item 8
(k) Territorial development and sales quotas	Attachments A and B in Area Development Agreement	Item 12
(l) Ongoing product / service purchases	Sections 5.10, 5.11, 5.12 and 5.14 in Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections 5.05, 5.08 and 5.09 in Franchise Agreement	Items 7 & 17
(n) Insurance	Sections 14.01 and 14.02 in Franchise Agreement	Items 6, 7 & 8
(o) Advertising	Sections 5.13, 5.15 and 5.16 in Franchise Agreement	Items 6, 7 & 11

(p) Indemnification	Sections 14.03 and 14.04 in Franchise Agreement and Section 11 in Area Development Agreement	Item 6
(q) Owner's participation / management / staffing	Section 6.01 in Franchise Agreement and Section 1 in Area Development Agreement	Item 15
(r) Records and reports	Sections 8.09, 8.10, 8.11, 8.12, 8.13 and 8.14 in Franchise Agreement	Items 6 & 11
(s) Inspections and audit	Section 12 in Franchise Agreement	Item 6
(t) Transfer	Section 15 in Franchise Agreement and Section 8 in Area Development Agreement	Items 6 & 17
(u) Renewal	Sections 3.02 and 3.03 in Franchise Agreement	Items 6 & 17
(v) Post-termination obligations	Section 17 in Franchise Agreement	Item 17
(w) Non-competition covenants	Sections 5 and 17.09 in Franchise Agreement	Item 17
(x) Dispute resolution	Section 18 in Franchise Agreement and Section 16 in Area Development Agreement	Item 17
(y) Liquidated damages	Section 17 in Franchise Agreement	Item 6

ITEM 10
FINANCING

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

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

Except as listed below, VBP is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Vitality Bowls Restaurant we, or our designee, will provide the following assistance and services to you:

1. Provide an initial training program to your managing owner and designated manager, if applicable (See Franchise Agreement – Section 7.08).

2. Loan to you, or make available to you on our website, one (1) copy of the Franchise Operations Manual, which may include audio and video media, software, other electronic media, and/or written materials. The Franchise Operations Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("System Standards"). The Franchise Operations Manual includes approximately 222 pages. The table of contents for the Franchise Operations Manual is attached to this Franchise Disclosure Document as Exhibit F (See Franchise Agreement – Section 7.04).

3. Approve or disapprove your proposed site for the Restaurant (See Franchise Agreement – Section 7). See below for more information regarding site selection (Item 11). You must purchase or lease the site for your Restaurant within 180 days after signing the Franchise Agreement. We generally do not own the premises for the Restaurant and lease it to you.

4. Once you have an approved site for your Restaurant, we will designate a territory (See Franchise Agreement – Section 4.01 and Attachment A).

5. We will provide a copy of our basic, proto-typical specifications for the design and layout of your Restaurant. You are responsible for the costs of preparing architectural, engineering and construction drawings and site plans, which you must submit to us for our review and approval before you begin construction of your Restaurant. You must use our approved architectural, engineering and construction firms for the Restaurant, if available in your territory. If our approved firms are not available within your territory you must obtain our prior written approval prior to hiring any architectural, engineering and/or construction firms. You are responsible for the costs of construction and remodeling. (Franchise Agreement– Section 7.)

6. Provide you with specifications for all initial and replacement furniture, fixtures, equipment, inventory and suppliers required to operate your Vitality Bowls Restaurant. You must submit final construction plans and specifications to us for our approval before you begin construction at the premises and must construct the Vitality Bowls Restaurant in accordance with those approved plans and specifications (See Franchise Agreement – Sections 7.05 – 7.07).

7. Provide you with a list of our approved items, services and suppliers, and consultation on required purchases as we deem necessary and appropriate (See Franchise Agreement – Sections 7.05 – 7.07).

8. Provide you with other pre-opening consultation as we deem necessary and appropriate during normal business hours (See Franchise Agreement – Section 7.10).

9. If you sign an Area Development Agreement, we will designate your Development Territory and Development Schedule within which you may develop a specified number of Vitality Bowls Restaurants (See Area Development Agreement – Sections 4.1 – 4.2).

Site Selection

We will provide you with our site selection criteria for you to use to select and acquire a site for your Vitality Bowls Restaurant which meets our site selection criteria.

You may not lease or purchase a site for your Vitality Bowls Restaurant until after we have approved the site in writing. The factors we consider in approving sites include general location, neighborhood, traffic patterns, parking, size, suitability, layout, access and visibility of the proposed location; proximity to other businesses, location and nature of any competitors, population density and demographics; vehicle and pedestrian traffic; existing tenant mix; parking convenience; and other factors that may be relevant to your market. The same site selection criteria will generally be applicable to all System franchisees.

There are no deadlines for our approval or disapproval of your proposed site, although we will typically be able to respond within two (2) weeks after you submit to us all of the required information. Once we have approved your location, we will issue an amendment to the Franchise Agreement, which you will be required to sign, to show the specific location as the only location where you are authorized to operate the Vitality Bowls Restaurant. If you and we are not able to reach agreement on an approved site for your Vitality Bowls Restaurant within six (6) months after you sign the Franchise Agreement, then we have the option to terminate the Franchise Agreement without providing you a refund.

You must obtain our prior written approval of your lease. Your lease must meet our lease approval

criteria, including certain mandatory lease provisions that we require for our protection. Before leasing or purchasing the site for your Restaurant, you must submit to us, in the form we specify, a description of the site with other information and materials we may reasonably require. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent. You must purchase or lease the site for your Restaurant within 180 days after signing the Franchise Agreement.

Although we will consult with you on your site, assist you in finding an acceptable location, and require that your site be subject to our final authorization, you have the ultimate responsibility in choosing, obtaining and developing the site for your Vitality Bowls Restaurant.

Schedule for Opening

You must open your Vitality Bowls Restaurant no more than 12 months after you sign the Franchise Agreement. The typical time between signing the Franchise Agreement and opening the Vitality Bowls Restaurant is six (6) to nine (9) months. Factors that affect this length of time include: securing any necessary financing; selecting the site; negotiating the lease; obtaining necessary permits; completing leasehold improvements; delivery of equipment, inventory and supplies; completing our initial training program; and hiring and training a manager and other employees. If you do not open within 12 months after you sign the Franchise Agreement, you will be required to pay us the Opening Extension Fee, or your Franchise Agreement will be terminated.

You may not open your Vitality Bowls Restaurant until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the initial training program to our satisfaction and have commenced the on-site assistance program; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered, received and installed your equipment, supplies, inventory and computer system. You must be prepared to begin operating your Vitality Bowls Restaurant after we state that your Vitality Bowls Restaurant is ready for opening.

Continuing Obligations

During the operation of your Vitality Bowls Restaurant, we (or our designee) will provide the following assistance and services to you:

1. Notify you of our approval or disapproval of samples of marketing materials and other materials bearing our Marks you submit to us for approval (See Franchise Agreement – Section 10.03).

2. Review requests for approval of additional items, services and/or suppliers, and notify you of our decision (See Franchise Agreement – Section 7.17).

3. Continue to loan to you or make available to you on our website one (1) copy of the Franchise Operations Manual (See Franchise Agreement – Section 7.04).

4. Provide, at our discretion and subject to our availability, additional training to you for newly hired personnel regarding the Vitality Bowls brand and System guidelines, refresher training courses and additional training or assistance. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 6). We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the

Vitality Bowls System and brand standards to your managers. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Vitality Bowls Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Vitality Bowls Business.

5. License to you use of the Marks, as set forth in greater detail below in Item 13 (See Franchise Agreement – Section 10.03).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new menu items, new equipment, or new techniques.

2. Make periodic visits to the Restaurant for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Maintain and administer a Brand Fund. We may dissolve the Brand Fund upon written notice (See Franchise Agreement - Section 7.15).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting Vitality Bowls franchisees.

5. Implement, modify or update minimum and maximum pricing policies, to the extent permissible under applicable law.

Advertising

Brand Fund

You must make a contribution of two percent (2%) of your Gross Sales for the Brand Fund ("Brand Fund Contribution"). We reserve the right to increase your Brand Fund Contribution to up to three percent (3%) of your Gross Sales. Your contribution to the Brand Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Franchisor-owned outlets and affiliate-owned outlets may, but are not required to, contribute to the Brand Fund on the same basis as franchisees.

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Fund will be in a separate bank account, commercial account, or savings account. We may structure the Brand Fund organization and administration in any way that we determine. We may organize or reorganize the Brand Fund into a separate entity as we deem appropriate and we may transfer all Brand Fund Contributions and assets to the entity. We may require you to pay your Brand Fund Contributions directly to the entity.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the Vitality Bowls brand. We may reimburse ourselves, our authorized representatives and designees, and/or our affiliates from the Brand Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the Brand Fund. We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We reserve the right use the Brand Fund contributions for advertising that is principally a solicitation for the sale of franchises and we may include, without limitation a notation in any advertisement indicating "Franchises Available," or similar phrasing. Additionally, media, materials and programs prepared using Brand Fund Contributions may describe our franchise program, reference the availability of franchises and related information and process franchise leads. We have the right to require you to display materials we specify, in certain designated areas within your Restaurant, including materials indicating "Franchises Available".

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct, or administer the Brand Fund. The Brand Fund is not a trust. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. We will provide an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year upon written request. During our most recent fiscal year ended December 31, 2023, the Brand Fund was spent as follows: approximately:.2.4% on print marketing, 15.19%on public relations, 12.24% for search engine optimization and search engine marketing, 9.56% on brand marketing and 9.63% on administrative costs.. The balance of the Brand Fund was retained for future expenditure. During the fiscal year ended December 31, 2023, 0% of the Brand Fund was used principally to solicit new franchise sales.

We have the right to terminate the Brand Fund at any time. If the Brand Fund is terminated, we are not required to return any Brand Fund Contributions contributed to the Brand Fund by you and will expend any retained contributions for the terminated Brand Fund for System advertising purposes. None of the Brand Fund Contributions are refundable at any time, including upon termination or expiration of your Franchise Agreement.

Local Advertising

In addition to the Brand Fund Contributions and the grand opening marketing program described above, we may require you to spend up to two percent (2%) of Gross Sales each month on local advertising, publicity, public relations, promotional, and other marketing programs to promote the Vitality Bowls Restaurant ("Local Advertising Requirement"). Expenses for employee salaries, wages, travel expenses, and menu printing and/or distribution do not count towards your Local Advertising Requirement. We reserve the right to require you to submit to us, on a quarterly or monthly basis as we designate, a local marketing plan specifically describing how you propose to spend the Local Advertising Requirement. If you do not meet your Local Advertising Requirement, or if you fail to otherwise comply with your local marketing obligations, we have the right, in addition to any and all other rights and remedies available to us under the Franchise Agreement and applicable law, to (a) require you to immediately pay all sums you were required to, but failed to expend ("Local Advertising Deficiency"), to the Brand Fund, (b) require you to spend the Local Advertising Deficiency in the manner designated or approved by us for local marketing purposes, or (c) require you to immediately pay the Local Advertising Deficiency to us to be expended by

us or our designee directly in your Vitality Bowls Restaurant's area for local marketing purposes.

All advertising, promotional and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we may require from time to time. Before you conduct any advertising or marketing, you must send us or our designated agency samples of your proposed materials for review. You may not use any advertising, promotional or marketing materials that we have not approved or have disapproved.

You are prohibited from using the Marks and listing, marketing, advertising, or otherwise promoting your Vitality Bowls Restaurant on or through the Internet, any social media site, mobile application, networking website, electronic media, or any emerging or future developed media outlet or platform, including Facebook®, Snap Chat, Twitter®, LinkedIn®, Living Social®, Instagram®, Groupon®, MySpace®, YouTube, Pinterest, Foursquare, Yelp, Google, Yahoo, or any similar sites, without our prior written consent in each instance. We may withhold our consent for any reason and we may condition our consent on your compliance with our designated guidelines, methods, procedures, rules and regulations. You may not post any content on the Internet, electronic media, mobile applications, social media or any future developed media outlet relating to the Vitality Bowls Restaurant or the System without first (a) obtaining our prior written consent (which we may grant or refuse in our sole and absolute discretion) and (b) complying with any and all guidelines, restrictions, terms and conditions we impose. You must comply with any and all policies, terms and conditions we designate, including those related to privacy and security. We have the right to establish any requirement we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our website.

At our request, all local advertising materials must include certain language, such as "Franchises Available," and our website address and telephone number. You are prohibited from making press releases or contributions or donations associated with the Marks or the Vitality Bowls Restaurant without our consent.

Pre-Opening Marketing

You must execute an opening marketing and advertising program ("Grand Opening Marketing Program") in which you must spend at least $10,000 during the time period beginning approximately one (1) week before your Vitality Bowls Restaurant is scheduled to open, and within approximately three (3) months after the opening. We encourage you to spend more than the minimum or your Grand Opening Marketing Program. The Grand Opening Marketing Program must comply with our specifications and standards, as set forth in the Franchise Operations Manual. You are required to prepare and submit to us a written plan detailing the Grand Opening Marketing Program no later than 30 days before the Vitality Bowls Restaurant's scheduled grand opening. Within four months following the date the Restaurant opens for business, you must furnish us evidence as we may reasonably require to verify your compliance with the Grand Opening Marketing Program expenditure requirements.

Cooperative Marketing

Where two (2) or more Vitality Bowls Restaurants are located in a geographic area, we may form (or approve the formation of) a local marketing cooperative. If a marketing cooperative is formed for an area that includes all or a portion of your territory, you will be required to participate in the cooperative. No Vitality Bowls Restaurant will have to participate in more than one (1) cooperative. The geographic area of the cooperative will be defined by contiguous zip codes, street boundaries, county boundaries or depicted on a map, in our sole discretion.

We may require you to contribute up to 100% of the Local Advertising Requirement on local or

area cooperative marketing. As of the Issuance Date of this Franchise Disclosure Document, there are no marketing cooperatives. Any company-owned Vitality Bowls Restaurants and affiliate-owned Vitality Bowls Restaurants in the cooperative marketing area will participate in a marketing cooperative and have similar voting power as franchised Vitality Bowls Restaurants. While your contributions to cooperative marketing will be applied toward your local advertising expense requirements, if the amount you contribute to a local marketing cooperative is less than the amount you must spend for local advertising, you must still spend the difference locally. All members of the cooperative, including company-owned Vitality Bowls Restaurants, will contribute to the cooperative at the same rate.

Any materials that a marketing cooperative wishes to use must first be approved by us, as described above for local advertising. We, or our designee, will be responsible for administering each and every cooperative. We may delegate this responsibility to a franchisee advisory council, some other committee of franchisees, or the cooperative. The cooperative will operate under written governing documents prepared by us, or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the cooperative will be prepared annually by the cooperative, at the cooperative's expense, and made available to cooperative members upon request. We have the right, in our sole discretion, to form, change, dissolve or merge any cooperative upon written notice to its members, but a cooperative will not be dissolved until all of the money in the cooperative has been spent for marketing purposes.

System Website

We have established a system website for Vitality Bowls Restaurants. Other than the System Website and certain other activities that we approve from time to time in our sole discretion, you may not conduct activity associated with your Vitality Bowls Franchise over the Internet, including social media sites or platforms, blogs, electronic communications and other online sites. Currently, we authorize our franchisees to use certain social media platforms subject to strict compliance with our guidelines and limitations. We reserve the right to revoke this authorization at any time.

As long as we maintain a System Website, we will have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may implement and periodically modify System Standards relating to the System Website.

We are only required to reference your Vitality Bowls Restaurant on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your Vitality Bowls Restaurant from the System Website until you fully cure the subject default(s). If you wish to advertise online, you must follow our online policy, which is contained in our Franchise Operations Manual. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page.

You may not sell services or products not approved by us in the Franchise Operations Manual on your Vitality Bowls Restaurant website without our prior written approval (See Franchise Agreement – Section 7.16).

Advisory Councils

We reserve the right to form one (1) or more advisory councils to assist us in improving products and services, the System, and improving marketing and promotion of Vitality Bowls Restaurants. If formed, the council will include our representatives and franchisee representatives. Franchisee representatives may be selected by us or may be elected by other franchisees in the System. If you participate in any advisory council, you may be required to pay all expenses you incur related to your participation, such as travel, lodging, and meal expenses related to attending council meetings.

The Franchise Leadership Council was established in July of 2019. The Franchise Leadership Council consists of franchisee members and serves in an advisory capacity only. We reserve the right to form, change or dissolve any advisory council at any time.

Computer System

As of the Issuance Date of this Franchise Disclosure Document, the computer system consists of the following: one (1) office computer; one (1) to three (3) 48"-70" televisions; one (1) multi-function printer/fax/copier/scanner; one (1) point-of-sale system including hardware and security system ("Computer System"). As of the Issuance Date of this Franchise Disclosure Document, the software consists of the following: our designated menu program and dining software; Microsoft Office; our designated version of QuickBooks; and our designated merchant services software. You are required to use our chart of accounts. We estimate that the initial cost of the Computer System, including hardware and software, will be approximately between $7,500 and $12,000. You must at all times have a high-speed Internet connection and a dedicated high speed internet connection for your credit card terminal that is PCI compliant for your Computer System at the Vitality Bowls Restaurant.

You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). We reserve the right to require that you purchase and provide us access to any security equipment, including security cameras, which we may designate. We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease and/or obtain by license, new or modified computer hardware and/or software, and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, upgrades, or updates. We estimate that the annual cost of required maintenance updates or upgrading or support contracts will be $1,500; however, it may be more or less depending the update or contract. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee or require that you hire a third party vendor for: (i) installing, providing, supporting, modifying and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we require you to utilize the services of a third-party vendor, you will be required to pay them directly. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

You will not install or permit the installation of any unauthorized software on your point-of-sale equipment or computer equipment without our prior express written consent. If we determine that unauthorized software or programs have been installed on your systems, you must immediately remove them upon notice from us. You will use your point-of-sale system only in connection with the Vitality

Bowls Restaurant and only according to System Standards. Unless we agree otherwise, you will use only one (1) computer at your Vitality Bowls Restaurant to connect to and communicate with our computer system, and you must maintain all data relating to your Vitality Bowls Restaurant on this same computer. If you have any other computers at your Vitality Bowls Restaurant, you must give us full access to those computers anytime we request (including if we audit your Vitality Bowls Restaurant).

You will have sole responsibility for: (1) the acquisition, operation, maintenance and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

The Computer System will store information about the items sold at your Vitality Bowls Restaurant, information about the inventory you purchase, customer data including contact information and lists, sales prices, taxes, fees, sales records, daily totals and other types of data related to the operation of your Vitality Bowls Restaurant. All information stored on the Computer System is our property and we will have independent access to the Computer System and/or the right to download any and all information. There are no contractual limitations on our right to access and download this information. We may share your financial information with other franchisees on an intranet system. You must make sure that we have access to your point-of-sale system in the manner we require, at your expense. We require that franchisees use QuickBooks Pro software for accounting/bookkeeping. You must provide us with viewing access to your QuickBooks, including by providing remote log-in information, at all times during the term of your franchise agreement. There are no contractual limitations on our right to access this information and we may use this information for any purpose we deem appropriate, including for purposes of disclosing financial performance information in our franchise disclosure documents.

We, or our affiliate, may establish an intranet system to provide you with access to an electronic version of the Franchise Operations Manual, marketing materials, other System materials and support, and for other purposes. If an intranet system like this is established, we or our affiliate will administer and maintain it, and we will provide you and/or your managers with access to this system. Subject to System Standards, we will continue to allow you or your managers to access our intranet system during the term of the Franchise Agreement, but we have the right to suspend your access to our intranet if you are in default of your Franchise Agreement. We may require you to use the intranet system for communications, reports, and other functions.

We, or our designee, have the right to independently access the electronic information and data relating to your Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Vitality Bowls Restaurant or from other locations.

Training

Initial Training

We will provide you with our then-current initial training program. As of the issuance date of this Disclosure Document, our initial training program lasts approximately 60hours and is conducted over a period of approximately one (1) week ("Initial Training Program"). The Initial Training Program will occur at a minimum of one (1) month before you open. The Initial Training Program is conducted either at our training facility in Danville, California, at a Vitality Bowls Restaurant operated by a franchisee or our affiliate, or at another location we designate. In addition, during the opening of your Vitality Bowls

Restaurant, we will provide an on-site assistance program ("On-Site Assistance Program") for up to seven (7) days before and during your initial days of operation. The On-Site Assistance Program is conducted at your Vitality Bowls Restaurant.

Before you begin operating your Vitality Bowls Restaurant, your managing owner and, if applicable, designated manager, must attend and successfully complete our Initial Training Program and the On-Site Assistance Program to our satisfaction. You and your initial Manager must, before opening of the Restaurant, attend and complete to our satisfaction the initial training program required for Managers. If your managing owner and/or designated manager fail(s) to successfully complete the Initial Training Program or On-Site Assistance Program to our satisfaction, we may require the failing attendee to attend additional training programs that we designate, at your sole expense, or we may require you to appoint a new managing owner and/or designated manager and to send that individual to the next available Initial Training Program, at your sole expense. If the Initial Training Program is not completed to our satisfaction after two (2) attempts, we may terminate the Franchise Agreement. If you replace your managing owner and/or designated manager, the replacement managing owner or designated manager must attend and successfully complete the first available Initial Training Program held by us (which may be conducted at another franchisee's Vitality Bowls Restaurant). We currently do not have a set training schedule but will conduct training sessions on an as- needed basis. You will be charged a training fee for each replacement managing owner and/or designated manager, and will be responsible for all costs for airfare, ground transportation, lodging, meals and expenses.

There is no tuition or fee for the Initial Training Program for up to two (2) attendees. There is no tuition or fee for the initial On-Site Assistance Program. If you desire to have additional people attend the Initial Training Program, you may be charged $600 per day plus expenses. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses for any person attending the Initial Training Program.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates and may change.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Orientation, Policies, Procedures, Culture, Brand	2	2	Danville, California or Designated Vitality Bowls Location
Back of House (Food Preparation and Kitchen Operations, Food Safety, Purchasing, Inventory Management)	2	10	Danville, California or Designated Vitality Bowls Location
Front of House (Positions, Opening, Closing, Customer Service)	3	18	Danville, California or Designated Vitality Bowls Location
Management (Labor Scheduling, Human Resources, P&L Reporting, Hiring, Training, marketing)	5	18	Danville, California or Designated Vitality Bowls Location
Total	12	48	

Notes:

1. We reserve the right to vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program. We will use the Franchise Operations Manual as the primary instruction materials during the Initial Training Program, and recommend you read it thoroughly before attending the training.

2. The Initial Training Program and On-Site Assistance Program will be supervised by Tara Giladi, our President.

3. At a minimum, other instructors who provide initial training will have experience in managing and/or assistant managing a Vitality Bowls Restaurant.

4. Each of your managers and other employees we designate must also receive their food handlers' certification. This cost varies depending on where your Vitality Bowls Restaurant is located but should be less than $200 per person.

5. We reserve the right to conduct any or all of the Initial Training Program virtually if, in our sole discretion, it is not advisable to have in-person training due to health and safety concerns. In the event that we determine it is necessary to conduct any or all of the Initial Training Program virtually, we will utilize appropriate technologies to do so including, but not limited to, live-streaming, video conferencing, teleconferencing, webinars, or prerecorded videos.

Ongoing Training

From time to time, we may require that you, designated managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new designated manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Vitality Bowls Restaurant. If we conduct an inspection of your Vitality Bowls Restaurant and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your Vitality Bowls Restaurant).

ITEM 12
TERRITORY

Franchise Agreement

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. The Franchise Agreement grants you the right to operate a single Vitality Bowls Restaurant at a location that we approve (the "Approved Location"). You must operate the Vitality Bowls Restaurant only at the Approved Location, and you may not relocate the Vitality Bowls Restaurant without our approval. Our approval for relocation is based on the same standards used to approve new Vitality Bowls Restaurant sites including: where your Vitality Bowls Restaurant will be located; whether or not such relocation will infringe upon the rights of other Vitality Bowls Restaurants; payment of the relocation fee and other requirements; and the time it will take to relocate your Vitality Bowls Restaurant.

However, during the term of the Franchise Agreement, except as provided below, neither we nor any affiliate will establish or operate, or franchise any entity to establish or operate, a business using the

Marks and System at any location within a certain geographic area surrounding the Approved Location, to be described in the Franchise Agreement ("Protected Area"). The scope of the area will likely differ among franchisees, and will be determined by population density and demographics, and geographical boundaries. As a general rule, the Protected Area will be a distance of approximately: (a) a one (1) mile from the location of the Vitality Bowls Restaurant in all directions by travelable by road, if your Restaurant is located in a suburban area; or (b) a one (1) block radius if your Restaurant is located in an urban area. We will calculate the Protected Area using our software. However, the boundaries of your Protected Area may be described in terms of contiguous zip codes, street boundaries, county boundaries, or depicted on a map that is attached to your Franchise Agreement. The Protected Area may vary based on the population density and demographics of the location of the Vitality Bowls Restaurant. Once we establish your Protected Area, we will not change or modify it without your consent. If you renew your Franchise, your Protected Area may be modified depending on the then-current demographics of the Protected Area, and on our then-current standards for territories.

If you are in good standing, you may request the right to offer catering and/or delivery services, yourself or via a third-party service provider, in your Protected Area. We reserve the right to grant or deny approval in our sole discretion and subject to your compliance with our mandated rules and regulations. We will consider a variety of factors and decide each request on a case-by-case basis, including the length of time open and the operational history of your Vitality Bowls Restaurant. If we allow you to offer catering and/or deliver services, the following will apply: (a) you will not be permitted to provide catering services or delivery services to any location outside of the Protected Area without first obtaining our prior written consent; (b) any vehicle used to perform catering or delivery services must comply with our mandated insurance coverage requirements; (c) all products provided and all catering and deliver services must comply with the Manual and all Vitality Bowl standards and specifications; and (d) we shall have the right, at all times, to access and audit your financial records with any third-party delivery service to ensure the sales data you report to us is accurate. If you receive an inquiry from a customer located outside of your Protected Area for catering services, you must refer the customer to us or our designee.

Although you will have a Protected Area, we retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate Vitality Bowls Restaurant at any location outside of the Protected Area, regardless of the proximity to your Approved Location or their impact on your existing or potential customers;

2. to own, acquire, establish and/or operate, and license others to establish and operate, businesses under other proprietary marks or other systems, at any location within or outside the Protected Area (even if these businesses are in competition with you);

3. to own, acquire, establish and/or operate, and license others to establish and operate, businesses using any proprietary marks or systems (including the Marks and System) at any airport, train station, other transportation facility, arena, ballpark, stadium, racetrack, other sports facility, theater, auditorium, concert hall, theme park, amusement park, cruise ship, casino or other entertainment facility, grocery store, college campus or military base, within any outlet mall or other area mall, or by way of a mobile food truck (each a "Special Venue"), within or outside the Protected Area;

4. to use any proprietary marks or systems (including the Marks and the System) to sell any products, including products that are the same or similar to those which you will sell, through any alternative channels of distribution within or outside of the Protected Area, regardless of their proximity to the Approved Location or their impact on your existing or potential customers. This includes, but is not limited to, grocery stores, convenience stores,

club stores, other retail outlets, direct marketing sales, and other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, or over the Internet. We exclusively reserve the Internet, including computerized or remote entry ordering systems, as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Franchise Operations Manual;

5. to acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing systems with units operating in your Protected Area. If we enter into any such transaction with any system that has competitive businesses in operation within your Protected Area, we and/or our licensees, have the right to operate such businesses as Vitality Bowls Restaurants without affording any rights to you or providing any compensation to you; and

6. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

You do not receive the right to acquire additional Vitality Bowls Restaurants within or outside the Protected Area unless you have signed an additional Franchise Agreement or an Area Development Agreement. You are not given a right of first refusal on the sale of existing Vitality Bowls Restaurants. You may not engage in any promotional activities or market our proprietary products or similar products or services, whether directly or indirectly, through or on the Internet; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere.

While you may place advertisements in printed media and on television and radio that are targeted to customers and prospective customers located within your Protected Area, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Protected Area, you may not make any sales or deliver any products to customers located outside of your Protected Area, unless the customer is located in an area that is encompassed by the protected area of another System franchisee and you obtain our prior written consent. You may not sell our proprietary products or any other products to any business or other customer at wholesale or for resale.

Continuation of the Protected Area is not dependent upon your achievement of a certain sales volume, market penetration or quota. We do not pay compensation for soliciting or accepting orders inside your Protected Area. As of the issuance date of this Franchise Disclosure Document, we do not currently sell anything directly to customers; however, we or our affiliates may do so in the future (See Item 8). We are not required to pay you if we exercise any of the rights specified above within your Protected Area.

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Area Development Agreement

You will not receive an exclusive territory. You may face competition from franchisees from outlets that we own, or from other channels of distribution or competitive brands that we control. Under the Area Development Agreement, you are assigned a Development Territory in which you must develop five (5) or more Vitality Bowls Restaurants. The size of the Development Territory will depend on the number of Vitality Bowls Restaurants to be developed, the demographics of the territory, the population, and other factors. In certain densely-populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely populated urban areas may have significantly larger areas.

The rights granted under the Area Development Agreement relate only to the development of the Vitality Bowls Restaurants identified in the Area Development Agreement. Except as provided in the Area Development Agreement, and subject to your full compliance with the Area Development Agreement and any other agreement among you or any of your affiliates and us or any of our affiliates, neither we nor our affiliates will establish or authorize any other person or entity, other than you, to establish a Vitality Bowls Restaurant in your Development Territory during the term of the Area Development Agreement. However, we, our affiliates, and any other authorized person or entity (including any other Vitality Bowls Restaurant) may, at any time conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement, including the retained rights described above under the Franchise Agreement territory disclosure.

The Development Territory will terminate upon the completion of the Development Schedule or the termination of the Area Development Agreement, whichever occurs first, and the only territorial protections that you will receive upon termination will be those under each individual Franchise Agreement.

You must develop five (5) or more Vitality Bowls Restaurants within your assigned Development Territory according to your Development Schedule. Upon your first failure to adhere to the Development Schedule, you will lose the territorial rights granted for the Development Territory. Any second or additional failures to adhere to the Development Schedule (excluding any extensions approved by us in writing) will constitute a material event of default under the Area Development Agreement, for which we may, among other things: (i) terminate the Area Development Agreement; (ii) reduce the area of any territorial rights; (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance. Other than your development of Vitality Bowls Restaurants, the continuation of your the Development Territory is not dependent upon your achievement of a certain sales volume, market penetration or quota.

The size of the Development Territory may be a single or multi-city area, single county area, or some other area, and will be described in Attachment A of your Area Development Agreement. We will determine the Development Territory before you sign the Area Development Agreement.

ITEM 13
TRADEMARKS

As disclosed in this Item 13, we currently own all of the trademarks related to the Vitality Bowls system. As a result of the Restructuring described in Item 1, our affiliate, Vitality Bowls Inc. transferred and assigned all of its rights to the Marks to VBP. Accordingly, the Marks are currently owned by VBP.

VBP has registered the following trademarks with the United States Patent and Trademark Office ("USPTO"):

Registered Mark	Registration Date	Registration Number	Status
ACAI BOWLS **(word mark)**	October 15, 2013	4,420,012	Registered on the Supplemental Register
VITALITY BOWLS **(word mark)**	February 25, 2014	4,486,963	Registered on the Principal Register
VITALITY BOWLS **SUPERFOOD CAFÉ** **(word mark)**	April 19, 2016	4,939,709	Registered on the Principal Register
 (design mark)	May 16, 2017	5,202,772	Registered on the Principal Register

All required renewals and affidavits for the registered Marks have been filed. We grant you the non-exclusive right and obligation to use the Marks under the Franchise Agreement. You must use the Marks as we require. You may not use any of the Marks as part of your firm name, corporate name, or domain name. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Vitality Bowls Restaurant or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringement, opposition, or cancellation; no pending material litigation involving the principal trademarks; and no prior superior rights. There are no infringing uses of the Marks actually known to us that could materially affect your use of the Marks in this state or elsewhere. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise.

You must follow our rules regarding use of the Marks. Any display of the Marks by you must be accompanied with notice of registration or claims by use of the symbols "®," "TM," or "SM," as required in the Franchise Operations Manual. You must cooperate with us and the owner of the Marks in maintaining registrations and prosecuting applications for the Marks, and in otherwise securing and preserving our rights in the Marks. The Marks may be used only in connection with the Vitality Bowls Restaurant, and may not be used in your corporate name or legal name. The Marks may not be used in connection with any unauthorized product or service, or in any manner not expressly authorized by the

Franchise Agreement.

You must notify us promptly in writing of: (1) any adverse or infringing uses of the Marks (or names or symbols confusingly similar), our confidential information, or other System intellectual property; and (2) any threatened or pending litigation relating to the Marks or System against (or naming as a party) you or us, of which you become aware. We or the Marks' owner will handle disputes with third parties concerning use of all or any part of the Marks or System in any manner we deem appropriate, in our sole discretion. You must cooperate fully and in good faith with us and the Marks' owner in our efforts to resolve these disputes. We or the Marks' owner may bring suit in your name or join you as a party to the relevant proceedings. We or the Marks' owner may resolve the matter by obtaining a license of the property at no expense to you, or by requiring that you discontinue using the infringing property or modify your use to avoid infringing the rights of others. We and the Marks' owner are not required to initiate suit against imitators or infringers who do not, in our sole opinion, have a material adverse impact on the Vitality Bowls Restaurant, and we are not required to initiate any other suit or proceeding to enforce or protect the Marks or System in a matter we do not believe, in our sole opinion, to be material.

We or the Marks' owner will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in accordance with the Franchise Agreement and Franchise Operations Manual, we will bear the cost of your defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the Franchise Agreement, Area Development Agreement, or Franchise Operations Manual, you will bear the cost of, and reimburse us for, your defense, including the cost of any judgment or settlement. If there is litigation relating to your use of the Marks, you must sign any documents and do any acts as may be necessary, in our opinion, to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement or Franchise Operations Manual, we will reimburse you for your out-of-pocket litigation costs in cooperating with us with respect to the litigation.

We reserve the right to substitute different proprietary marks for use in identifying the System, the businesses operating under them, and/or the services offered, if the Marks no longer can be used, or if we determine that substitution of different proprietary marks will be beneficial to the System. In these circumstances, the terms of the Franchise Agreement will govern the use of the substituted proprietary marks, and we will not compensate you for this substitution. You must promptly implement any substitutions of this kind, at your expense. Any use of the Marks not authorized by the Franchise Agreement provisions will be deemed an infringement. You will have no right to license others to use the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We claim copyrights in the Franchise Operations Manual, which contains trade secrets, advertising and marketing materials, the System Website, and similar items used in operating Vitality Bowls Restaurants. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating your Vitality Bowls Restaurant (and must stop using them if we so direct you). No patents or patents pending are material to the Franchise.

There are currently no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state. We need not protect or defend copyrights, although we intend to do so if in the System's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not

participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Franchise Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; training and operations materials; methods, formats, proprietary mixes and recipes, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating Vitality Bowls Restaurants; marketing and advertising programs for Vitality Bowls Restaurants; any computer software or similar technology that is proprietary to us or the System; knowledge of, specifications for and suppliers of Operating Assets and other products and supplies; and knowledge of the operating results and financial performance of Vitality Bowls Restaurants other than your Vitality Bowls Restaurant.

All ideas, concepts, techniques, or materials concerning a Vitality Bowls Restaurant, whether or not they are protected intellectual property, and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works-made-for-hire for our use. To the extent that any item does not qualify as a "work-made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action, including executing an assignment agreement or other documents, that we request to show our ownership or to help us obtain intellectual property rights in the subject item(s).

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure and non-competition agreements with those having access to such information. We may regulate the form of confidentiality agreement that you use and must be included as a third party beneficiary with independent enforcement rights in that agreement.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE VITALITY BOWLS RESTAURANT

We strongly recommend, but do not require, that you personally supervise the Vitality Bowls Restaurant. Under the terms of the Franchise Agreement, we require that you either directly operate your Vitality Bowls Restaurant or designate a manager ("Designated Manager") who has successfully completed our initial training program to our satisfaction and who has been approved by us. We may require that the Designated Manager have an ownership interest in the legal entity of the Franchise owner. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense. If you are not an individual, you must designate an operating principal acceptable to us who will be principally responsible for communicating with us about the Vitality Bowls Restaurant ("Operating Principal"). The Operating Principal must have the authority and responsibility for the day-to-day operations of your Restaurant and must have at least 10% equity.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the Vitality Bowls Restaurant, must sign the System Protection Agreement, the form of which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, suppliers, agents, or representatives that may have access to our confidential information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to the Franchise Disclosure Document in Exhibit H. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign an owner's agreement, the form of which is attached to the Franchise Agreement as Attachment D. In addition, we require that the spouses of the franchise owners sign the owner's agreement as well.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to offer for sale only products and services that have been approved and specified by us or in the Franchise Operations Manual and any updates that are incorporated by us or in the Franchise Operations Manual from time to time. You may not offer for sale any products or services not specifically approved by us in writing, and you may not use your Vitality Bowls Restaurant premises for any purpose other than the operation of a Vitality Bowls Restaurant and the sale of products or services approved by us. You must offer any products and/or services that we designate as required products and/or required services in the Franchise Operations Manual. There are no limits on our ability to make changes to the products or services we require you to sell.

You must offer and sell all services and products that we periodically require for Vitality Bowls Restaurants. You may not perform any services or offer or sell any products that we have not authorized. Our System Standards may regulate required and/or authorized services and products. We periodically may change required and/or authorized services and products. There are no limits on our right to do so.

You may not sell any items at wholesale or to any purchaser whom you know (or have reasonable grounds to suspect) intends to resell the items. You may sell your items and offer your services at any prices you determine, however we reserve the right, if authorized under applicable law, to designate minimum and maximum prices, and minimum advertised pricing policies. In determining your prices, you must consider the general image of the Vitality Bowls Restaurant and the System.

You may not sell products or services, or advertise products or services, within another franchisee's Protected Area. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, Twitter or any other social or professional networking site or blog), or mention or discuss the Franchise, us, or any of our affiliates, without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales.

We may require you to participate in one or more third-party food ordering and delivery services with one or more suppliers who we have approved on behalf of the System (each, a "System Designated Third-Party Delivery Service"). We may also allow you to utilize other non-system designated third-party food ordering or delivery services at your Vitality Bowls Restaurant. You may not utilize any such non-system designated third-party services without first obtaining our written approval. Your engagement and utilization of any third-party delivery service must be in strict compliance with the standards set forth in the Operations Manual.

Otherwise, we place no restrictions upon your ability to serve customers provided you do so from the location of your Vitality Bowls Restaurant in accordance with our policies.

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ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise term	Section 3.01	Ten (10) years.
b. Renewal or extension of term	Section 3.02	If you are in good standing and you meet other requirements, you may enter into two (2) consecutive successor terms of ten (10) years.
c. Requirements for Franchisee to renew or extend	Section 3.03	Written notice, full compliance, sign then-current form of Franchise Agreement and any ancillary documents, sign release, pay a renewal fee, maintain possession of Vitality Bowls Restaurant location, complete refurbishing, and others. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your Protected Area may change, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.
d. Termination by Franchisee	Not applicable	Not applicable (subject to applicable state law).
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Sections 16.01, 16.02, and 16.03	We can terminate upon certain violations of the Franchise Agreement by you.
g. "Cause" defined – curable defaults	Sections 16.02 and 16.03	Ten (10) days to pay amounts owed and obtain required insurance; 30 days for all other defaults.
h. "Cause" defined – non-curable defaults	Section 16.01	Material misrepresentation; failure to open Vitality Bowls Restaurant within 12 months; bankruptcy; assignment for benefit of creditors; abandonment; uncured defaults under other agreements between you or any of your owners, on the one hand, or us or any of our affiliates, on the other hand; termination of any other franchise agreement between you or any of your owners or affiliates, and us or any of our affiliates; felony conviction; unauthorized transfer; repeated violations; and others.

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligations on termination / nonrenewal	Section 17	Return Franchise Operations Manual, all confidential information, trade secrets, and records; stop using System and Marks; pay amounts owed; de-identify; and others.
j. Assignment of contract by franchisor	Section 15.01	No restriction on our right to assign.
k. "Transfer" by Franchisee – defined	Section 15.02	Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise.
l. Franchisor approval of transfer by Franchisee	Section 15.02	We have the right to approve any proposed transfer.
m. Conditions for franchisor approval of transfer	Section 15.03	Written notice; transferee qualifies; you are not in default; payment of transfer fee; transferor signs general release; transferee signs new franchise agreement; refurbish Vitality Bowls Restaurant; transferee successfully completes training program; you must sign a System Protection Agreement not to engage in a competitive business for two (2) years within 25 miles of that Franchise or another Vitality Bowls Franchise; and others.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 15.04	We can match any written and verified offer.
o. Franchisor's option to purchase Franchisee's business	Section 17.11	We may, but are not required to, purchase your Vitality Bowls Franchise, inventory, or equipment if your Franchise is terminated for any reason by giving you written notice of our intent to exercise this option within thirty (30) days after the date of termination or expiration of the Franchise Agreement and paying you the purchase price calculated according to the formula set forth in the Franchise Agreement.
p. Death or disability of Franchisee	Section 15.05	Your personal representative must submit to us a proposal meeting the requirements of transfer within six (6) months of your death or mental incompetence.
q. Non-competition covenants during the term of the Franchise	Section 5.21	Subject to applicable state law, neither you, your owners, officers and managers, nor any immediate family members of you or your owners, may, engage in the ownership, management, financing or operating of any competitive business or to any business that grants franchises or licenses for competitive businesses; solicit of interfere in our relationships with our customers, employees, contractors, suppliers or franchisees; engage in any

		activities that would benefit a competitive business or would be injurious or prejudicial to the goodwill associated with the Marks and/or the System.
r. Modification of the agreement	Section 19.02	We may modify the System and Franchise Operations Manual; no modification of agreements unless in writing and signed (with exceptions).
s. Non-competition covenants after the Franchise is terminated or expires	Section 17.09	Subject to applicable state law, for a period of two (2) years following termination or expiration, neither you, your owners, officers or managers, nor any immediate family members of you or your owners, may, engage in the ownership, management, financing or operating of any competitive business (a) at your former Vitality Bowls Restaurant location; (b) within 25 miles of your Vitality Bowls Restaurant location; or (c) within 25 miles of any Vitality Bowls Restaurant, either opened or under development. In addition, You may not, for a period to two (2) years following termination or expiration, engage in the ownership, management, financing or operating of any business that grants franchises or licenses for competitive businesses;. solicit of interfere in our relationships with our customers, employees, contractors, suppliers or franchisees; engage in any activities that would benefit a competitive business or would be injurious or prejudicial to the goodwill associated with the Marks and/or the System. .
t. Integration / merger clause	Section 19.06	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state, Federal Trade Commission, or federal law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18.02	Except for certain claims, all disputes must be mediated and arbitrated in Danville, California (subject to state law). Prior to submitting any disputes to mediation or arbitration, the parties must meet face to face at our principal place of business or other mutually agreeable location in California to negotiate in good faith to resolve the dispute.
v. Choice of forum	Section 18.03	Subject to applicable law, all disputes must be mediated and arbitrated in Danville, California, and litigated in the federal or state court for the jurisdiction in which we have our principal place of business, except as provided in the State-Specific Addendum to this Franchise Disclosure Document. Prior to submitting any disputes to mediation or arbitration, the parties must meet face to face at our principal place of business or other mutually agreeable location in California to

		negotiate in good faith to resolve the dispute.
w. Choice of law	Section 19.04	Subject to applicable law, except for Federal Arbitration Act and other federal law, the laws of the state where the Vitality Bowls Restaurant is located.

THE AREA DEVELOPER RELATIONSHIP

This table lists certain important provisions of the Area Development Agreement and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

Provision	Section in Area Development Agreement	Summary
a. Length of the term	Section 2	Term continues until the earlier of: (a) the years from the effective date listed in your Area Development Agreement which varies depending on the number of Vitality Bowls Restaurants you wish to open; or (b) you have completed your development obligations in accordance with the Development Schedule.
b. Renewal or extension of the term	Section 4.2	We may extend the term of the Area Development Agreement to allow you to develop replacement Vitality Bowls Restaurants.
c. Requirements for Area Developer to renew or extend	Section 4.2	Renewals and extensions of the Area Development Agreement are not permitted; however, we may, in our sole discretion, grant you up to two (2) extensions of the development schedule under which you are required to sign a particular franchise agreement. If we grant you an extension, you will be required to pay us a fee of $2,000. Renewals of site-specific franchise agreements are governed by the terms of the franchise agreement as summarized in the table above.
d. Termination by Area Developer	Not Applicable	Not Applicable. (subject to applicable state law)..
e. Termination by Franchisor without cause	Not Applicable	Not Applicable.
f. Termination by Franchisor with cause	Section 7	Each of your obligations under the Area Development Agreement is a material and essential obligation, the breach of which may result in termination.

g. "Cause" defined - curable defaults	Section 7	Failure to meet the Development Schedule on two (2) or more occasions; breach of any provision of the Franchise Agreement(s).
h. "Cause" defined – defaults which cannot be cured	Not Applicable	Not Applicable.
i. Area Developer's obligations on termination/ non-renewal	Not Applicable	Not Applicable.
j. Assignment of contract by franchisor	Section 8.1	We have the right to transfer or assign the Area Development Agreement to any person or entity without restriction.
k. "Transfer" by Area Developer – defined	Not Applicable	Not Applicable.
l. Franchisor approval of transfer by Area Developer	Not Applicable	Not Applicable.
m. Conditions for franchisor approval of transfer	Not Applicable	Not Applicable.
n. Franchisor's right of first refusal to acquire Area Developer's business	Not Applicable	Not Applicable.
o. Franchisor's option to purchase Franchisee business	Not Applicable	Not Applicable.
p. Death or disability of Area Developer	Not Applicable	Not Applicable.
q. Non-competition covenants during the term of the Area Development Agreement	Not Applicable	Not Applicable.
r. Non-competition covenants after the Area Development Agreement is terminated or expires	Not Applicable	Not Applicable.
s. Modification of the agreement	Not Applicable	Not Applicable.
t. Integration/merger clause	Section 12	Only the terms of the Franchise Agreement and other related written agreements and the Area Development Agreement are binding (subject to state, FTC, and federal law). Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration	Section 16	Except for actions brought by us for injunctive or any temporary or permanent equitable relief or actions involving our Marks or property, all disputes must be arbitrated in Danville, California (subject to state law). Prior to submitting any disputes to mediation or arbitration, the parties must meet face to face at our principal place of business or other mutually agreeable location in California to negotiate in good faith to resolve the dispute.

v. Choice of forum	Section 13	Subject to applicable law, the venue for all proceedings related to or arising out of the Agreement is state or federal court located in Danville, California, unless otherwise brought by us (See State Disclosure Document Addendum including State Amendments to the Area Development Agreement). Prior to submitting any disputes to mediation or arbitration, the parties must meet face to face at our principal place of business or other mutually agreeable location in California to negotiate in good faith to resolve the dispute.
w. Choice of law	Section 13	Except for Federal Arbitration Act and other federal law, the laws of the state where the Vitality Bowls Franchise is located applies, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figures 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.

HISTORICAL FINANCIAL PERFORMANCE REPRESENTATIONS

As of December 31, 2023, we had a total of sixty six sour (66) Vitality Bowls Restaurants in operation, including six (6) Vitality Bowls Restaurants owned and operated by VB Prime's affiliates (the "Affiliate Restaurants") and sixty (60) Vitality Bowls Restaurants owned and operated by franchisees (the "Franchised Restaurants").

Six (6) of the Affiliate Restaurants were open and in operation for the entire 2023 calendar year. The financial performance information in Tables B and D of this Item 19 include performance information for all five (5) of those Affiliate Restaurants (the "Affiliate FPR Restaurants").

Fifty Four (54) of the Franchised Restaurants were open and in operation for the entire 2023 calendar year (the "Franchisee FPR Restaurants"). Tables A and C reflect financial performance information for the Franchisee FPR Restaurants.

The information in the tables below is a historical financial performance representation for the

Affiliate FPR Restaurants and the Franchisee FPR Restaurants. The historical financial performance representation in this Item 19 presents certain Average Annual Gross Sales and Average Gross Sales Per Customer Invoice information for the Franchisee FPR Restaurants and the Affiliate FPR Restaurants during the period from January 1, 2023 until December 31, 2023 ("Reporting Period"). The financial information used in the preparation of the information provided in this Item 19 (a) was not audited and (b) was prepared internally by us based on unaudited information provided to us through the POS System from our Affiliate FPR Restaurants, and our Franchisee FPR Restaurants. Individual franchisees are likely to experience sales volume and expense variations. The geographic area within which a franchised Restaurant is located, the competition in the market, and the operational skill and management methods employed by a franchisee may significantly affect the sales realized and expenses incurred. You should conduct your own independent research and due diligence to assist you in preparing your own projections.

We have written substantiation for the financial performance representation provided in this Item 19. Written substantiation for the financial performance representation in this Item 19 will be made available to the prospective franchisee upon reasonable request. You should carefully analyze the following table with the assistance of your counsel, accountants or other advisors.

TABLE A

AVERAGE ANNUAL GROSS SALES FOR THE FRANCHISEE FPR RESTAURANTS FOR THE REPORTING PERIOD

AVERAGE ANNUAL GROSS SALES	Number of Franchisee FPR Restaurants that Attained or Surpassed the Average Annual Gross Sales	Highest Annual Gross Sales in the Range	Lowest Annual Gross Sales in the Range	Median
$557,808.89	25 or 45%	$1,085,994.86	$243,192.29	$539,477.01

TABLE B

AVERAGE ANNUAL GROSS SALES FOR THE AFFILIATE FPR RESTAURANTS FOR THE REPORTING PERIOD

AVERAGE ANNUAL GROSS SALES	Number of Affiliate FPR Restaurants that Attained or Surpassed the Average Annual Gross Sales	Highest Annual Gross Sales in the Range	Lowest Annual Gross Sales in the Range	Median
$415,433.55	**2 or 33%**	$638,186.94	$250,428.38	$394,663.38

TABLE C

AVERAGE GROSS SALES PER CUSTOMER INVOICE FOR THE FRANCHISEE FPR RESTAURANTS FOR THE REPORTING PERIOD

AVERAGE GROSS SALES PER CUSTOMER INVOICE	Number of Franchisee FPR Restaurants that Attained or Surpassed the Average Gross Sales Per Customer Invoice	Highest Invoice Average in the Range	Lowest Invoice Average in the Range	Median
$19.72	30 or 47%	$27.07	$16.14	$19.81

TABLE D

AVERAGE GROSS SALES PER CUSTOMER INVOICE FOR THE AFFILIATE FPR RESTAURANTS FOR THE REPORTING PERIOD

AVERAGE GROSS SALES PER CUSTOMER INVOICE	Number of Affiliate FPR Restaurants that Attained or Surpassed the Average Gross Sales Per Customer Invoice	Highest Invoice Average in the Range	Lowest Invoice Average in the Range	Median
$20.03	2 or 33%	$20.44	$19.57	$19.98

TABLE E

AVERAGE GROSS SALES BY QUARTER PERCENTILES FOR THE AFFILIATE FPR AND FRANCHISEE FPR RESTAURANTS

CATEGORY	AVERAGE GROSS SALES	NUMBER AND % OF OUTLETS ATTAINING OR SURPASSING THIS AMOUNT	NOTES
Top 25% of All Stores	**$804,442.46**	**7 of 14 50%**	**Max = $1,085,994.86 Min = $652,007.41 52 Median = $786,932.94**
Top 50% of All Stores	**$698,531.15**	**12 of 27 45%**	**Max = $1,085,994.86 Min = $544,131,67 Median = $652,007.41**
Top 75% of All Stores	**$625,641.81**	**16 of 41 39%**	**Max = $1,085,994.86 Min = $428,673.91 Median = $568,922.66**

All Affiliate FPR and Franchisee FPR Restaurants	**$546,636.89**	**27 of 60 45%**	**Max = $1,085,994.86 Min = $243,192.29 Median = $529,842.43**

General Notes:

1. Definitions.

a. The term "Gross Sales", as used in this Item 19, means the total revenue derived from the sale of goods and services as reported to us through the Vitality Bowls computer point of sale system used by the Franchisee FPR Restaurants and the Affiliate FPR Restaurants (the "POS System"). Note, the term "Gross Sales", as used in this Item 19, does not reflect any deductions for sales taxes collected and paid, discounts, or any other deductions.

b. The term "Gross Sales Per Customer Invoice" means the total Gross Sales for each customer invoice, as reported to us through the POS System.

c. The term "Median" means the data point that is in the center of all data points used and, if the number of data points is an even number, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

2. Calculation of Averages.

a. The average annual Gross Sales for the Franchisee FPR Restaurants was calculated by adding together each of the Franchisee FPR Restaurant's reported annual Gross Sales figures, and dividing that total number by the total number of Franchisee FPR Restaurants. The average Gross Sales per Customer Invoice, as disclosed in Table C, was calculated by adding together each of the annual average Gross Sales Per Customer Invoice figures reported to us through the POS System for the Franchisee FPR Restaurants, and dividing that number by the total number of Franchisee FPR Restaurants.

b. The average annual Gross Sales for the Affiliate FPR Restaurants was calculated by adding each of the Affiliate FPR Restaurant's reported annual Gross Sales figures together, and dividing that number by 5 (the number of Affiliate FPR Restaurants). The average Gross Sales per Customer Invoice, as disclosed in Table D, was calculated by adding together each of the annual average Gross Sales Per Customer Invoice figures reported to us through the POS System for the Affiliate FPR Restaurants, and dividing that number by 5.

c. The average annual Gross Sales by quarter percentiles for the Affiliate FPR and Franchisee FPR Restaurants, as disclosed in Table E, was calculated by adding together each of the Affiliate FPR Restaurant's and Franchisee FPR Restaurant's reported annual Gross Sales figures for the top 25%, the top 50% and the top 75%, and dividing that total number by the total number of Affiliate FPR Restaurants and Franchisee FPR Restaurants in the top 25%, 50% and 75% respectively.

3. No Expense Information Provided. The average Gross Sales information presented in this Item 19, and the actual Gross Sales information presented in Table E of this Item 19, do not include any expense information. Your Vitality Bowls Restaurant will incur expenses and costs of operation, including, among other expenses, labor, rent, costs of goods sold, utilities, facility maintenance, insurance, continuing monthly royalty fees, continuing Brand Fund contribution requirements, local advertising expenditure obligations, monthly technology fees, monthly bookkeeping fees, among others, including the ongoing fees

and expenses disclosed in Item 6 and as set forth in your Franchise Agreement.

Additional Notes.

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

You are strongly advised to consult with your financial advisor, personal accountant and other business professionals concerning the financial analysis and due diligence you should make in determining whether to purchase a Vitality Bowls Franchised Restaurant. You and your accountant should also build a business plan for the opportunity you are pursuing, taking into account such independent information as may be available at the time. While we are not able to review or comment on your plan, the plan should help you in making your investment decision, and in getting underway if you enter our System. The first year of operations may be the most challenging. There are numerous factors that affect a Restaurant's sales and costs. You should conduct an independent investigation of the costs and expenses you will incur in operating your Vitality Bowls Restaurant. Franchisees or former franchisees listed in this Franchise Disclosure Document may be one source of this information.

Other than the preceding financial performance representation, VB Prime Inc does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Roy Gilad, 156 Diablo Road, Suite 120, Danville, CA 94526 and (925) 498-2684, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2021 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	71	70	0
	2022	70	67	-3
	2023	67	59	-8
Company-Owned	2021	4	5	+1
	2022	5	7	+2
	2023	7	6	-1
Total Outlets	2021	75	75	0
	2022	75	74	-1
	2023	74	65	-9

Table No. 2

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

State	Year	Number of Transfers
California	2021	3
	2022	3
	2023	3
Georgia	2021	0
	2022	0
	2023	0
Nebraska	2021	0
	2022	0
	2023	2
New York	2021	0
	2022	0
	2023	1
Texas	2021	2
	2022	1
	2023	0
Oregon	2021	1
	2022	0
	2023	0
Washington	2021	0
	2022	2
	2023	0
Totals	2021	6
	2022	6
	2023	3

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Arizona	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
California	2021	27	2	2	0	1	0	27
	2022	25	1	1	0	2	0	23
	2023	23	1	1	0	0	1	22
Colorado	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	1	0	0	2
Florida	2021	5	0	0	0	0	0	5
	2022	5	1	2	0	0	0	4
	2023	4	0	0	0	0	2	2
Georgia	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Indiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Missouri	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Nebraska	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
North Carolina	2021	2	0	0	0	0	0	2
	2022	2	2	0	0	0	2	2
	2023	2	1	2	0	0	0	1
New York	2021	4	0	0	0	0	2	2
	2022	2	0	0	0	0	0	2

	2023	2	0	0	0	0	0	2
Nevada	2021	2	0	0	0	0	0	2
	2022	2	0	2	0	0	0	0
	2023	0	0	0	0	0	0	0
Ohio	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Oregon	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Texas	2021	12	0	0	0	0	0	12
	2022	12	1	0	0	0	1	12
	2023	12	0	0	0	0	3	9
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	1	0	0	0
Washington	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
Total	2021	71	4	2	0	1	2	70
	2022	70	8	5	0	2	4	67
	2023	67	5	4	2	0	7	59

[The remainder of this page is intentionally left blank.]

Table No. 4
Status of Company-Owned Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2021	4	0	1	0	0	5
	2022	5	0	2	0	0	7
	2023	7	0	0	1	0	6
Florida	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total Outlets	2021	4	0	1	0	0	5
	2022	5	0	2	0	0	7
	2023	7	0	0	1	0	6

[The remainder of this page is intentionally left blank.]

Table No. 5
Projected Openings as of
December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AZ	4	4	0
CA	7	1	0
CO	0	0	0
CT	3	2	0
FL	0	0	0
GA	3	2	0
IN	0	0	0
MA	1	0	0
MI	0	0	0
NJ	2	2	0
NC	0	0	0
NE	0	0	0
NY	0	0	0
OH	1	1	0
OR	0	0	0
PA	0	0	0
TX	2	2	0
UT	0	0	0
Total	23	14	0

Please note that our predecessor, Vitality Bowls Enterprises, LLC, was the franchisor of the Vitality Bowls System until VB Prime, Inc. became the franchisor pursuant to a Restructuring described in Item 1.

A list of the names of all franchisees and the addresses and telephone numbers of their businesses will be provided in Exhibit F to this Franchise Disclosure Document when applicable.

The name, city, state, and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a Vitality Bowls Restaurant terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document will be listed on Exhibit F to this Franchise Disclosure Document when applicable. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Vitality Bowls System. You may wish to speak with current and former franchisees but know that not all such franchisees can communicate with you. If you buy this Franchise, your contact information may be disclosed to other

buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchise organizations.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements as of December 31, 2023, December 31, 2022, and December 31, 2021.

ITEM 22
CONTRACTS

The following contracts are included as exhibits to this Franchise Disclosure Document:

Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Vitality Bowls Franchise
Exhibit I	Pre-Closing Questionnaire (*not applicable in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin*)

ITEM 23
RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit I, is a list of the State Effective Dates for each registration state. Attached as Exhibit J are duplicate detachable receipt pages; please detach, sign, date and return one (1) copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agents for Service of Process:

Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677
www.dfpi.ca.gov
Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agents for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Agents for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, #280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222 (Phone)

Agents for Service of Process:

99 Washington Avenue, 6th
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 E. Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

RHODE ISLAND

Department of Franchise Regulation
1511 Pontiac Avenue
John O. Pastore Complex, Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 071715

EXHIBIT B

FINANCIAL STATEMENTS

EXHIBIT C

FRANCHISE AGREEMENT

VITALITY BOWLS

FRANCHISE AGREEMENT

VITALITYBOWLS

•SUPERFOOD CAFÉ•

VITALITY BOWLS
Franchise Agreement
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ATTACHMENTS:

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Attachment B - Initial Franchise Fee and Opening Schedule
Attachment C - Ownership Interests In Franchise Owner
Attachment D - Owner's Agreement

VITALITY BOWLS

FRANCHISE AGREEMENT

This Franchise Agreement ("Franchise Agreement") is made by and between VB Prime Inc, a Delaware corporation headquartered at 156 Diablo Road, Suite 120, Danville, CA 94526 ("we" or "us"), and _____, a _____ with an address at _____ ("Franchisee", "you" or "your") as of _____ (the "Effective Date"). In consideration of the following mutual promises, the parties agree as follows:

1. RECITALS

1.01 System and Marks

We have the right to use and to license to our franchisees our proprietary and distinctive system (the "System") relating to the establishment and operation of Vitality Bowls superfood cafes that make and sell high-quality Acai and other superfruit Bowls, smoothies, panini, wraps, toasts, salads, grain bowls and other healthy superfood options to consumers. We also have the right to use and to license to our franchisees certain service marks, trademarks, trade names, trade dress, logos, slogans, and commercial symbols used to identify the Vitality Bowls businesses or particular items and services offered as we designate (collectively, the "Marks").

1.02 Desire to Franchise

You desire, upon the terms and conditions set forth in this Franchise Agreement, to obtain a license to use the System and Marks in the establishment and operation of a Vitality Bowls restaurant (the "Restaurant") to engage in the business of making and selling high-quality Acai and other superfruit bowls, smoothies, paninis, wraps and toasts, salads, grain bowls and other healthy superfood options to consumers (the "Franchised Business"). We are willing, upon the terms and conditions set forth herein, to license you to establish and operate the Franchised Business using the Marks and the System in a Restaurant at an approved location. Unless the context indicates otherwise, capitalized terms have the meaning ascribed to them in this Franchise Agreement.

2. GRANT AND LIMITATIONS

2.01 Grant of Franchise

Subject to all of the terms and conditions in this Franchise Agreement, we grant to you, and you accept, the license (the "Franchise") to use the System and the Marks in connection with the establishment and operation of a Franchised Business at a Restaurant situated at the specific location ("Approved Location") set forth in Attachment A to this Franchise Agreement.

2.02 Limitations on Grant.

(a) System Standards. The Franchise granted by this Franchise Agreement is limited to the operation of a Restaurant in strict compliance with the provisions of this Franchise Agreement and the standards we specify in writing, as periodically amended, modified, supplemented, or deleted, which we impose on our franchisees in connection with participation in the System, including all mandatory and suggested specifications, policies, rules, techniques, and procedures we promulgate about System operation usage (collectively, the "System Standards"). You have no rights under this Franchise Agreement to use, and you will not use, the System, the Marks, or the Restaurant premises in connection with any other business, activities, or unapproved items or services.

(b) Trade Name. The Franchise granted by this Franchise Agreement is limited to establishment and operation of the Franchised Business only under the trade name "Vitality Bowls" or other trade name that we expressly authorize or require in writing. You will not adopt alternative, additional or secondary trade names unless you have our prior express written consent.

(c) Location-Approval by Us and Local Municipality. The Franchise granted by this Franchise Agreement is limited to a single Restaurant at the Approved Location. The Restaurant must be located at the Approved Location. Different jurisdictions have specific requirements that must be met before you can open a restaurant at a given location. It is your responsibility, prior to signing a lease, to make sure the location and the ability to operate a restaurant as a franchisee at that location is approved by the governing jurisdiction. If a particular site has not been selected and approved at the time this Franchise Agreement is signed, Attachment A will describe the Approved Location in general terms. In that case, after we have approved a location for your Restaurant, we will modify Attachment A and the specific address of that location will automatically become the Approved Location as if originally set forth in Attachment A instead of the general description. You have no rights under this Franchise Agreement to use, and you will not use, the System or Marks at any other location, without our prior express written consent. You will not relocate the Restaurant without our prior express written consent. You acknowledge that our approval of a location for the Restaurant is not a representation or warranty that the Restaurant will be successful.

(d) No Sub-Franchising. You have no rights under this Franchise Agreement to grant, and you will not grant, any sub-franchise or sub-license of all or part or the System or Marks.

(e) Catering & Delivery Restrictions. You are not permitted to offer catering or delivery services (yourself or via a third party) without first obtaining our prior written consent, which we may grant or withhold in our sole and absolute discretion. If you are a franchisee in good standing, you may apply to us for approval to offer catering and/or delivery services in your Protected Area. We reserve the right to make this determination in our sole discretion and subject to your compliance with our mandated rules and regulations. We will consider a variety of factors and will decide each of your requests on a case-by-case basis, including the length of time open and the operational history of your Vitality Bowls Restaurant. If we authorize you to offer catering and/or deliver services, the following will apply: (a) you will not be permitted to provide catering services or delivery services to any location outside of the Protected Area without first obtaining our prior written consent; (b) any vehicle used to perform delivery or catering services must comply with our mandated insurance coverage requirements; (c) all catering and delivery services must comply with all Vitality Bowl standards and specifications; and (d) we shall have the right, at all times, to access and audit your financial records with any third-party delivery service to ensure the sales data you report to us is accurate . If you receive an inquiry from a customer located outside of your Protected Area for catering services, you must refer the customer to us or our designee immediately.

2.03 Non-Exclusive License

During the term of this Franchise Agreement, subject to our reserved rights set forth below, neither we nor any of our affiliates will establish or operate, or franchise any entity to establish or operate, a Restaurant using the Marks and System at any location within the market area described in Attachment A ("Protected Area"). Otherwise, the Franchise is nonexclusive. Other than the limited rights expressly granted to you under this Franchise Agreement, we (on behalf of ourselves and our affiliates) reserve all rights to use the Marks and System, including the following rights, in any manner and on any terms and conditions we deem advisable, and without granting you any rights, accommodation or compensation:

(a) to own, acquire, establish and/or operate, and license others to establish and operate businesses using the Marks and System outside the Protected Area (even if there may be some impact to your business within the Protected Area);

(b) to own, acquire, establish and/or operate, and license others to establish and operate, businesses under other proprietary marks or other systems, at any location within or outside the Protected Area (even if these businesses are in competition with you);

(c) to sell or distribute, at retail, wholesale or otherwise, directly or indirectly, or license others to sell or distribute, any proprietary items (such as our Acai Bowls) which bear any proprietary marks, including the Marks, within or outside the Protected Area;

(d) to own, acquire, establish and/or operate, and license others to establish and operate, businesses using any proprietary marks or systems (including the Marks and System) at any non-traditional location (airport, train station, other transportation facility, arena, ballpark, stadium, racetrack, other sports facility, theater, auditorium, concert hall, theme park, amusement park, cruise ship, casino, or other entertainment facility) (each a "Special Venue"), or within any outlet mall or other regional mall, within or outside the Protected Area; and

(e) to acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing systems with units operating in your Protected Area. If we enter into any such transaction with any system that has competitive businesses in operation within your Protected Area, we and/or our licensees, have the right to operate such businesses as Vitality Bowls restaurants without affording any rights to you or providing any compensation to you.

2.04 Owner's Agreement and Assumption of Obligations

To induce us to enter into this Franchise Agreement, all persons with a direct or indirect ownership interest in the Franchised Business, and their spouses, must sign and deliver to us the Owner's Agreement in the form attached to this Franchise Agreement as Attachment D. If you are an entity, each individual owner (i.e., each natural person holding a direct or indirect ownership interest in you) and their spouses must sign the Owner's Agreement in the form attached to this Franchise Agreement as Attachment D. Any future persons and their spouses must sign and deliver revised versions of Attachment D as a condition of, and in order to reflect any permitted changes in ownership in connection with any permitted transfer of ownership under this Franchise Agreement.

Attachment C to this Franchise Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date. You and your owners agree to sign and deliver to us revised versions of Attachment C periodically to reflect any permitted changes in the information that Attachment C now contains.

3. TERM AND EXTENSION

3.01 Term

The term of this Franchise Agreement begins on the Effective Date and will continue for one (1) period of ten (10) years, unless terminated sooner by us. You have no rights under this Franchise Agreement to use, and you will not use, the System or Marks after expiration or termination of this Franchise Agreement. Some of your duties and obligations under this Franchise Agreement will survive after expiration or termination of this Franchise Agreement as provided herein.

3.02 Successor Franchise Rights

If you meet all of the conditions specified in Section 3.03, we will offer you up to two (2) successor franchise agreements each with a term of ten (10) years to become effective following the expiration of this Franchise Agreement and the expiration of the first successor franchise agreement.

3.03 Conditions to Successor Franchise

To qualify for an offer of a successor franchise agreement, you must timely satisfy all of the following conditions:

(a) At least six (6) months (but no more than twelve (12) months) before the end of the term of this Franchise Agreement, you must give us written notice of your request for an extension of franchise rights, and you must pay us a successor franchise fee of $10,000.

(b) At least two (2) months (but no more than six (6) months) before the end of the term of this Franchise Agreement, you must upgrade your Restaurant to make it consistent with the then-current System Standards for new Restaurants.

(c) At the time that you give notice of your request for an extension and at the end of the initial term or first successor term, you must not be in default under this Franchise Agreement or any other agreement with us or any of our affiliates, and you must have substantially complied with all of the provisions of this Franchise Agreement and of any other agreements with us or any affiliate during their respective terms.

(d) At least one (1) month before the end of the term of this Franchise Agreement, you must sign the then-current version of our standard franchise agreement for similar restaurants, to become effective upon the expiration of this Franchise Agreement. You acknowledge that the terms and conditions of that agreement may be materially different from this Franchise Agreement, and they might not be as favorable to you. However, you will not be required to pay the then-current initial franchise fee; you will have one (1) additional option to extend the Franchise; the boundaries of the Protected Area may change from those under this Franchise Agreement; and the fees on renewal will not be greater than those offered to new Restaurant franchisees at the time of renewal.

(e) At the end of the term, you (and/or your manager, if we require) must satisfy our then-current qualification and training requirements.

(f) At least one (1) month before the end of the initial term, you (and your owners, if we require) must sign and deliver to us a general release, in a form we will provide, of all claims you or your owners may have against us and any of our affiliates (and our and their respective officers, directors, partners, owners, agents, and employees).

(g) You must maintain possession of the Restaurant.

4. YOUR DEVELOPMENT OBLIGATIONS

4.01 Site Selection

You will be solely responsible for locating and obtaining a suitable site for your Restaurant, subject to our approval. We reserve the right to require you to use our designated broker for site selection services and you shall comply with any and all such requirements. Before entering into a lease agreement or other binding agreement to acquire the proposed site, you must: submit to us a written description of the proposed site for our approval; provide us with other information regarding the proposed site according to the System Standards or as we reasonably request; and verify to us in writing that the proposed site meets our site

selection criteria. We will then approve or disapprove the proposed site. If we disapprove of the proposed site, you must select an alternate site and repeat the site approval process until we have approved a proposed site for your Restaurant. You acknowledge and agree that our approval of a site does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the site for a Restaurant or for any other purpose. Different jurisdictions have specific requirements that must be met before you can open a restaurant at a given location. It is your responsibility, prior to signing a lease, to make sure the location and the ability to operate a restaurant as a franchisee at that location is approved by the governing jurisdiction. Our approval of the site indicates only that we believe that a site falls within the acceptable site selection criteria as of that time. If you are unable to submit a site that meets our approval within six (6) months after the Effective Date, we have the option to terminate this Franchise Agreement without providing you a refund of any fees you paid to us.

4.02 Lease Provisions

After we have approved a proposed site, you must then lease or purchase the approved site. If you will lease the site, your lease must include certain provisions for our protection. You must provide us with a copy of your proposed lease agreement for our review and approval before you sign it. You must not sign the proposed lease agreement until after you have our express written approval. Any lease relating to the Restaurant's premises must contain the following provisions in contractual language acceptable to us:

(a) The use of the leased premises will be restricted solely to the operation of a Restaurant.

(b) The landlord, upon termination or expiration of the lease, consents to the tenant's removal (at the tenant's expense) of the exterior and interior signs and trade fixtures, so long as the tenant makes repairs caused by the removal of these items.

(c) The landlord will provide to us (at the same time they are sent to the tenant) a copy of all lease amendments and assignments, and a copy of all letters and notices sent to the tenant relating to the lease or the leased premises.

(d) We will have the right to enter the leased premises to make any modifications or alterations, at our own cost, necessary (in our opinion) to protect the System and the Marks and to cure, within the time periods provided by the lease, any default under the lease, all without being guilty of trespass or other tort.

(e) The tenant may assign the lease to us (or our designee) with the landlord's consent (which consent will not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rent. The tenant will remain solely responsible for all obligations, debts and payments under the lease accruing before the effective date of any assignment to us (or our designee).

(f) The landlord will not amend or otherwise modify the lease in any manner that would affect any of the foregoing requirements without our prior written consent (which will not be unreasonably withheld).

(g) The total possible term of the lease (including the initial term and all renewal terms that are at the tenant's option) must be for at least ten (10) years.

(h) Upon expiration or termination of this Franchise Agreement, we (or our designee) will have the right to an assignment of the lease with the landlord's consent (which consent will not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rent. The tenant will remain solely responsible for all obligations, debts and payments under the lease accruing before the effective date of any assignment to us (or our designee).

We have included a lease addendum which incorporates these required terms in Exhibit I of the Franchise Disclosure Document.

4.03 Construction, Remodeling, and Build-out

Promptly after obtaining possession of the approved site for the Restaurant, you will: (a) have prepared and submit to us for approval plans for the construction, build-out or remodeling of the site consistent with the System Standards and applicable law, if you are unable to use our standard plans; provided, that any altered plans must be submitted to us and receive our approval before such plans can be used. You acknowledge that: (a) our review of your amended plans is not meant to assess any compliance with applicable laws, regulations, and/or building codes, all of which is your responsibility;
(b) obtain all required permits, licenses, and zoning variances; (c) complete the construction, build-out, and/or remodeling of the Restaurant premises consistent with the approved plans, the System Standards, and applicable law; (d) purchase or lease and install all required equipment, furnishings, fixtures, signs, and décor as required by this Franchise Agreement and the System Standards; (e) obtain all customary contractors' sworn statements and waivers of liens; (f) obtain and maintain in force, during the entire period of construction of the Restaurant, such insurance policies and for such amounts as we may designate in our sole and absolute discretion; and (g) otherwise prepare the Restaurant for opening for business as required by this Franchise Agreement and the System Standards. You shall use licensed general contractors, designers and architects to perform any and all construction work at the Approved Location, including services providers we designate. We expressly disclaim any warranty of the quality or merchantability of any goods or services provided by architects, contractors, or any other persons or entities to which we may refer to you or require you to use. We are not responsible for delays in the construction, equipping or decoration of any Franchised Business, or for any loss resulting from the Franchised Business design or construction. You acknowledge that we have no control over the landlord or any developer and numerous construction and/or any related problems that could occur and delay the opening of the Franchised Business. You acknowledge and agree that we shall not be liable to you in any way with respect to any assistance that we provide to you during the site selection process, and/or in our recommendation or approval of any site location.

4.04 Furnishings, Fixtures, Equipment, and Signs

You must purchase, lease, or otherwise use in the establishment and operation of the Restaurant all of the furnishings, fixtures, equipment, and signs that we have approved as meeting our specifications and standards for quality, design, appearance, function, and performance, and only these items. You must purchase or lease approved brands, types, or models of furnishings, fixtures, equipment, and signs only from suppliers designated or approved by us and according to System Standards. You agree to place or display at the Restaurant only the signs, logos, and display materials that we have approved. After your Restaurant has been built out, equipped and decorated according to System Standards, you will not make any material alteration to the Restaurant's premises, furnishings, fixtures, equipment, or signs without our prior express written approval.

4.05 Inventory and Supplies

You must purchase and stock in the Restaurant all of the required inventory and supply items, in an adequate mix and quantity of each, all according to the System Standards. Such inventory and items

shall be purchased from the suppliers we designate or approve, which may include or be limited to us or our affiliates. Without limiting the foregoing, if we are able to work out a discount with a specific vendor or supplier for the benefit of some or all franchisees, you will be required to comply with any and all requirements as arranged within the discount agreement (i.e. delivery frequency). Any such agreement will not mandate an increase of your purchase requirements for any product.

4.06 Commencement of Business

Unless we agree in writing to a later opening date, you must open the Restaurant and begin business within 12 months after the Effective Date of this Franchise Agreement. If you are purchasing multiple Restaurants, your opening dates shall be as stated on Attachment B. Before opening the Restaurant, you must comply with all of your applicable development and operating obligations under this Franchise Agreement, including: (a) obtain all required permits and licenses; (b) properly complete all construction, remodeling, and build-out of the Restaurant; (c) properly complete installation of all furnishings, fixtures, equipment, and signs; (d) properly display and stock all required inventory and supplies; (e) successfully complete the initial training program; (f) provide to us proper evidence of required insurance coverage; and (g) provide to us any other information or documents relating to the Restaurant's readiness for opening or your compliance with applicable System Standards. You must obtain our written approval before opening the Restaurant, and you must schedule the opening on a mutually convenient date**.** If you do not open your Restaurant within 12 months after the execution of this Franchise Agreement, you will be required to pay an opening extension fee of $250 per week until such time as the Restaurant is open or this Franchise Agreement is terminated.

4.07 Relocation

If your Restaurant's lease expires or terminates without your fault or if the site is condemned, destroyed or otherwise rendered unusable, you must seek our approval to relocate the Restaurant to a new location that meets our then-current site selection criteria, subject to the territorial rights of other Restaurants operated by franchisees or our affiliates. You must reimburse us for our reasonable costs and expenses, up to $1,500, if we permit you to relocate the Restaurant and you must comply with all of the requirements of this Section 4 with regard to any relocation.

5. YOUR OPERATING OBLIGATIONS

5.01 Compliance with System Standards

You will maintain high standards of quality, appearance and operation for the Restaurant. For the purpose of enhancing the public image and reputation of the businesses operating under the System and for the purpose of increasing the demand for items and services associated with the Marks, you will comply in good faith with all System Standards, including those contained in the Manual (defined below in Section 7.04). You will operate and maintain the Restaurant solely in the manner and pursuant to the standards prescribed herein, in the Manual and in other materials we provide to you.

5.02 Compliance with Sound Business Practices

You will at all times operate the Restaurant diligently and in a manner that is consistent with sound business practices. You will at all times maintain working capital and a net worth that is sufficient, in our opinion, to enable you to properly fulfill all of your responsibilities under this Franchise Agreement. You will pay all of your debts and obligations incurred in the operation of the Restaurant as these debts and obligations become due. You will, in all dealings with us and our affiliates, your suppliers and customers, and public officials, adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You will refrain from any business practice which may harm our business, System or Marks, or other franchisees' businesses.

You will take such steps as are necessary to ensure that your affiliates, employees, owners, representatives and agents will comply strictly with the provisions of this Franchise Agreement. We will not have the power to hire or fire your employees and/or independent contractors. You expressly agree, and will never contend otherwise, that our authority under this Franchise Agreement to certify certain of your employees or independent contractors for qualification to perform certain functions does not directly or indirectly vest in us the power to hire, fire or control any such employee or independent contractor. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and you agree to indemnify us for any such liabilities we incur. You agree that any direction that you receive from us regarding employment policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. You shall provide conspicuous notice on all employee application forms and employment agreements that you are an independent contractor operating a franchised Restaurant under license from us and that, if employed, the applicant will not be an employee of us or any of our affiliates.

5.03 Lease Compliance

You will comply with all of the terms of your lease, sublease, and other agreements authorizing use of the Restaurant premises, and will refrain from any activity that may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Restaurant premises. You will not amend or otherwise modify your lease without our express written consent.

5.04 Compliance with Laws

You will obtain and maintain in force, as and when needed, all governmental permits, licenses, and approvals required by applicable law to establish and operate the Restaurant at the Approved Location. You will pay when due (or properly and timely contest) all federal, state, and local payroll, withholding, unemployment, permit, license, property, ad valorem, use, sales, gross receipts, income, property, and other taxes, assessments, fees, charges, penalties, and interest, that may be charged or levied against us as a result of your business operations, and will file when due all required governmental returns, notices, and other filings. You will conduct your business operations under this Franchise Agreement in full compliance with all applicable laws, ordinances, regulations, rules, administrative orders, decrees, and policies of any local, state, or federal government, governmental agency, or department. You will notify us promptly if you obtain any information that any aspect of the System does not comply with any applicable law, rule, or regulation.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Franchise Agreement.

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, you and we agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

5.05 Restaurant Image

You will at all times maintain your Restaurant according to the System Standards, including those standards prescribed in the Manual (defined below in Section 7.04), such as standards and specifications relating to the safety, maintenance, cleanliness, sanitation, function, and appearance of the Restaurant and your equipment and signs, as well as the requirement that the employees of the Restaurant will be required to wear uniforms and to maintain a standard of appearance while employed at the Restaurant. You will maintain and operate the Restaurant in a good, clean, wholesome manner.

5.06 Goodwill

You will use reasonable efforts to protect, maintain, and promote the trade name "Vitality Bowls" (or other trade name we approve) and our distinguishing characteristics, the other Marks and the System. You will not permit or allow your officers, directors, owners, managers, employees, representatives, family members or agents to engage in conduct which is unlawful or damaging to the goodwill or public image of the Marks or System. You will participate in all quality assurance, customer service, and customer satisfaction programs we require in good faith. You will follow System Standards for identification of your operations and for you to avoid confusion on the part of customers, creditors, lenders, investors, and the public as to the ownership and operation of the Franchised Business.

5.07 Quality and Customer Service Standards

All items and services you provide under this Franchise will be of high quality, and will conform to the quality and customer service standards we may establish from time to time.

5.08 Maintenance of Restaurant

You will install and maintain in the Restaurant, at your expense, all furnishings, fixtures, equipment, and signs as required by the System Standards. You will not install or permit to be installed on or about the Restaurant premises any furnishings, fixtures, equipment, signs, décor, vending machines, video games, or the like that we have not previously approved. You will maintain the Restaurant premises, and all furnishings, fixtures, equipment, and signs in a clean, attractive condition, and in good working order and repair. If we notify you of any deficiency as to the general state of repair or appearance of the Restaurant's premises, furnishings, fixtures, equipment, signs, or décor, you must undertake the action we reasonably specify to correct the deficiency within the time period we specify.

5.09 Refurbishing the Restaurant

Within six (6) months after our request, you will: (a) remodel, redecorate, and refurbish the Restaurant at your expense, to conform to the décor, color schemes, and presentation of trademarks and service marks consistent with our then-current image; and (b) upgrade, modify, and/or replace furnishings, fixtures, and equipment to conform to our then-current System Standards. You will not be required to make significant capital expenditures in this regard during the first three (3) years of the term of this Franchise Agreement, but you may be required to purchase equipment necessary to offer and sell new items or services.

5.10 Approved Items and Services

You will offer all approved items and services pursuant to the System Standards at the Restaurant, and no other items or services. You will prepare and offer for sale all required menu items using the recipes, ingredients, serving sizes, decorations, nomenclature, and presentation exactly in accordance with the System Standards. If you desire to offer any unapproved items or services, you must first obtain our prior express written consent. You will refrain from deviating from System Standards by the offer, sale, or use of any non-conforming items or services, without our prior express written consent. You will not sell any items offered by the Franchised Business outside of the Restaurant including, as an example, by food truck, without our express written consent.

5.11 Purchasing

You will purchase or procure certain designated items (including furnishings, fixtures, equipment, signs, inventory, and supplies) and services in compliance with any minimum standards or specifications we may periodically establish, and from only the suppliers that we approve which may include or be limited to us or our affiliates. You may purchase or procure any other approved items or services for the Franchised Business from any competent source, so long as the items and services meet or exceed the System Standards. You will maintain at the Restaurant, at your expense, the mix and quantity of inventory and supplies as required by the System Standards.

5.12 Computer and Communications System

You will, at your expense, purchase and maintain any point-of-sale system, cash register, computer hardware and software, communication equipment, communication services, security equipment, security cameras, Internet services (including the requirement to maintain a high-speed Internet connection), dedicated telephone and power lines, modems, printers, and other related accessories or peripheral equipment that we may specify for use in the Franchised Business. You will provide any assistance we require to connect your point-of-sale system, security equipment, security cameras or computer system with our computer system. We will have the right at any time to retrieve data and other information from your point-of-sale system, security equipment, security cameras or computer system as we, in our sole discretion, deem necessary or desirable. You shall ensure that we have access at all times to your point-of-sale system, security equipment and security cameras, at your cost. You will strictly comply with System Standards for all items associated with your point-of-sale system, computer system, security system, security cameras and communication equipment and services. You will keep the point- of-sale system, computer system, security system, security cameras and communication equipment in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications, or substitutions to your point-of-sale system, computer hardware, software, security equipment, security cameras, communication equipment, telephone and power lines, and other related accessories or peripheral equipment, as we may specify periodically. We may require that you license from us proprietary software for use in the Franchised Business, and, if so, you will sign the software license agreement we specify, and you will comply with all of its terms and conditions. You will utilize the point-of-sale system, computer system, security equipment, security cameras and communication equipment and services in connection with the Franchised Business pursuant to the System Standards. For use of our online systems, e-mail, data sharing,

music streaming, payment of third-party software licensing fees, and other Internet related functions and future developed technology, you shall pay to us a monthly technology fee in an amount we designate, which fee will be collected within the first seven (7) days of each month. We reserve the right to increase this fee in the event we offer updated or additional software or technology effective upon notice to you, provided that the fee shall not exceed Five Hundred Dollars ($500) per month. We will provide you with one (1) e-mail account with the technology fee. You may purchase additional email accounts from us at our then-current rate. You acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Franchise Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and you agree to comply with those reasonable new standards that we establish as if we periodically revised this Section for that purpose. You acknowledge and agree that the Technology Fee will vary based upon the services provided to each franchisee and may not be uniform across the System; the Technology Fee you pay to us may be higher than what other franchisees pay us.

5.13 Marketing

(a) Marketing Programs. You will participate in all advertising, public relations, promotion, market research, and other marketing activities we may implement for the System ("Marketing Programs").

(b) Grand Opening Marketing. You must spend at least $10,000 on local advertising, public relations, promotion, and other marketing activities in connection with your grand opening (the "Grand Opening Marketing Program". Such amount shall be spent during the time period beginning approximately one (1) week before your Restaurant Franchised Business is scheduled to open and within approximately three (3) months after the opening. You are required to prepare and submit to us a written plan detailing the Grand Opening Marketing Program no later than 30 days before the Vitality Bowls Restaurant's scheduled grand opening. Your Grand Opening Marketing Program must be approved by us before it can be conducted. You must submit to us proof of these expenditures within 120 days after your Restaurant first opens for business.

(c) Local Marketing. In order to provide your Restaurant with the best chance of success, in addition to the Brand Building Fund contributions (described below in Section 7.15) and the grand opening marketing program described above, we can require, but currently choose not to, Franchised Businesses to spend each month an amount greater than or equal to one and one-half percent (1.5%) of Gross Sales (as defined in Section 8.02 below) earned in the immediately preceding month on local advertising, publicity, public relations, promotional, and other marketing programs for your Restaurant. Expenses for employee salaries, wages, travel expenses, and menu printing and/or distribution do not count towards your local marketing expenditure requirement. We reserve the right to require you to submit to us, on a quarterly or monthly basis as we designate, a local marketing plan specifically describing how you propose to spend the required local advertising expenditure. If you fail to spend your required individual advertising, we may require you to pay us the difference between the amount you spent and the required advertising expenditure, which, at our option, will be either (a) expended by us or our designee in your area for local marketing purposes, or (b) contributed to the Brand Building Fund, if established, as we determine in our sole discretion. Your marketing materials must use the Marks correctly, comply with System Standards and applicable law, and be expressly approved by us in writing before use. If you use advertising that has not been approved by us, you will be required to pay us $250 per incident, which will be deposited into the Brand Building Fund, if established. Upon our request, you will immediately stop using any marketing materials or programs that we, in our sole opinion, deem to be outdated, false, misleading, illegal, in violation of this Franchise Agreement, inconsistent with the System Standards, harmful to the System or Marks, or potentially harmful to the goodwill, reputation, or customer relations of us or our franchisees or affiliates. At our request, all marketing and promotional materials used by you shall include specific language, such as "Franchises

Available" and our website address and telephone number. We have the right to require you to display the marketing and promotional materials we designate within certain designated areas in your Franchised Business promoting the availability of franchise opportunities. You shall comply with all such requirements immediately upon notice to you.

(d) Cooperative Marketing. We may, in our discretion, form local or regional marketing cooperatives covering your Protected Area and the territory of at least one (1) other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the "Co-op"), then you must: join the Co-op; participate with other franchisees in the Co-op's marketing programs; and pay your share of the Co-op's marketing expense. Any payments you make for the Co-op's marketing will be applied toward your required minimum local marketing expenditures, but will not affect your obligation to make Brand Building Fund Contributions under this Franchise Agreement. If the amount you contribute to a Co-op is less than the amount you are required to expend for local marketing, then you shall nevertheless spend the difference locally. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the Franchisee Advisory Council ("FAC") (if established) or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the FAC or some other committee of franchisees. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co- op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge, or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

(e) Press Releases. You will not issue any press release without our prior express written approval.

(f) Contributions and Donations. You will not make any contributions or donations of items, services, or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf on any organization) in the name of the Franchised Business or otherwise associated with any Mark, without our prior express written consent.

5.14 Telephone

You will obtain a telephone number for exclusive use in connection with the Franchised Business, and this telephone number will be deemed to be our property.

5.15 Directory Listings

You will obtain and maintain, at your expense, listings for the Restaurant, as required by System Standards, and in the form provided by or expressly approved by us, which listings may include the principal telephone directory serving your Approved Location. If other Vitality Bowls franchisees are served by the same directory, we may require a group listing of all franchised businesses in the area, and, in that case, the costs of the listing will be reasonably allocated among these franchised businesses. You will timely pay your share of these costs.

5.16 Internet Listing

You will not, directly or indirectly, create or maintain an Internet web page, website address or Internet directory listing relating in any way to your Restaurant, or that uses any of the Marks. You are prohibited from conducting any aspect of the Franchised Business through the Internet (except e-mail communications). Without limiting the foregoing, you shall not, without our prior written consent: (a) develop, create, generate, own, license, lease or use, in any manner, any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, web page, domain name, bulletin board, newsgroup or other Internet-related medium or activity) that in any way uses or displays, in whole or in part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto; or (b) use electronic media, including, without limitation, the Internet or any social media or networking sites (such as Facebook, Twitter, LinkedIn, Living Social, Instagram, Groupon, MySpace, Pinterest, YouTube, Foursquare, Yelp, Google, Yahoo, or any other similar or comparable social media platform), in a manner that uses or displays, in whole or in part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto. If our consent to any of the foregoing activities is granted, you shall in all instances comply with any conditions and restrictions that we impose, including our designated standards and specifications and such other policies and procedures as we may establish from time to time. And, if such consent is granted, we reserve the right to revoke such consent effective upon written notice to you.

5.17 Hours of Operation

You will keep the Restaurant open and in normal operation for the minimum hours and/or days as required by the System Standards, to the extent consistent with local law and your lease.

5.18 Conferences

You or your owner or manager will attend each conference and pay the applicable conference fee, if and when we sponsor a conference. Mandatory training for franchisees or their managers may be held at a conference. The conference fee will be the same for all of our franchisees, but may be based on the number of Restaurants each franchisee has or the number of attendees each franchisee sends to the conference. You will receive reasonable notice of each conference. You will be responsible for all travel, transportation, lodging, meals, and incidental expenses and compensation of the people you send to any conference.

5.19 Notification of Legal Proceedings

You will notify us in writing within five (5) business days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware and which may adversely affect the operation or financial condition of the Restaurant.

You will without delay inform us by telephone and email upon the occurrence of a Crisis Management Event. “Crisis Management Event” means any event that occurs at or about the Franchised Business that has or may cause harm or injury to customers or employees. Examples include, but are not limited to, food contamination, food spoilage/poisoning, food tampering, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Marks, or image or reputation of the Restaurant, Franchise System or Franchisor. You will cooperate fully with us with respect to our response to the Crisis Management Event. In the event of the occurrence of a Crisis Management Event, we may establish emergency procedures which may require you to temporarily close the Restaurant to the public, in which event we shall not be liable to you for any loss or costs, including consequential damages or lost profits occasioned thereby.

5.20 Customer List

You will protect the privacy of your customers by keeping their personal information confidential. You will not disclose customer information to anyone other than your employees and us without our prior written consent.

5.21 Non-Competition

You (and, if you are an entity, your owners, officers, and directors) and your managers will not, directly or indirectly, except with respect to your good faith operation of the Franchised Business or any other Vitality Bowls restaurant You operate pursuant to a separate franchise agreement with us, (i) engage in or invest in, or induce others to, own, manage, operate, finance, control, participate in the ownership, management, operation, financing, advising or control of, be employed by, associated with, or in any manner connected with, or render services or advice to any Competitive Business or to any business that grants franchises or licenses for the right to operate Competitive Businesses; (iii) solicit or attempt to solicit any customer of ours or any of our affiliates or franchisees; (iv) solicit, employ, or otherwise engage as an employee, independent contractor, or otherwise, any person who is or was an employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee, or in any manner induce or attempt to induce any employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee, to terminate his or her employment and/or to engage in any activities that would benefit a Competitive Business or would be injurious or prejudicial to the goodwill associated with the Marks and/or the System; (v) interfere with our relationship with any person, including any person who is an employee, contractor, supplier, or customer of ours; or (vi) perform any other act injurious or prejudicial to the goodwill associated with the Marks and/or the System. The foregoing non-competition restriction shall also apply to restrict anyone acting through, on behalf of or in conjunction with You (or, if you are an entity, your owners), to any such other person or entity controlling, controlled by, or under common control with You (or, if you are an entity, your owners), and to Your spouses and family members (or, if you are an entity, to the spouses and family members of your owners). For purposes of this Agreement, the term "Competitive Business" shall be interpreted to mean a business that offers or sells acai or other superfruit bowls, smoothies, paninis, salads, grain bowls or other healthy superfood items that are the same as or substantially similar to items offered or sold at the Franchised Business..

5.22 Uniforms

You will require your managers and other employees to wear uniforms as required by our System Standards.

5.23 Confidentiality and Non-Competition Agreements

Your managers must sign confidentiality and non-competition agreements stating that they will maintain the confidentiality of information they receive in connection with their employment and not compete with any of our franchisees following the end of their employment with you. We may require that these contracts be in a form satisfactory to us, including specific identification of us as a third-party beneficiary of the contracts, with the independent right to enforce them. We may require your other employees to sign similar agreements. Our form of Confidentiality and Non-Competition Agreement is attached to the Franchise Disclosure Document as Exhibit I.

5.24 Customer Satisfaction

You will use your best efforts to ensure customer satisfaction; use good faith in all dealings with customers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take such actions as we deem necessary or appropriate to

resolve customer disputes. We may remedy any issues with your customers in our sole discretion including reimbursement of any fees paid to you. You are responsible to reimburse us for any such costs.

5.25 Staffing

You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Franchised Business. You must require all your employees to work in clean uniforms approved by us, but furnished at your cost or the employees' cost as you may determine. You understand and acknowledge it is your responsibility to hire and supervise a satisfactory number of employees in order to efficiently operate the Unit and meet your obligations under this Franchise Agreement. You alone are responsible for all employment decisions and functions of your Franchised Business, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, safety, work conditions, assignments, taxes, schedules, personnel policies, benefits, recordkeeping, supervision, discipline of employees and compliance with all workplace laws, regardless of whether you have received advice from us on these subjects or not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, safety, work conditions, assignments, taxes, schedules, personnel policies, benefits, recordkeeping, supervision, discipline of employees and compliance with all workplace laws, and you agree to indemnify us for any such liabilities we incur. You agree to inform each of your employees that you alone are their employer, and that we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you, and you will request that your employees and contractors sign any acknowledgement or disclosure explaining the differences between us and you, their employer or contractor. At no time will you or your employees be deemed to be employees of us or our affiliates and we are not a joint employer of those persons. We will have no obligation to direct your employees or to operate the business.

5.26 Privacy

You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("Privacy Laws"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

5.27 Methods of Payment and Data Security

You agree to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems (together, "Credit Card Vendors") that we may periodically designate as mandatory. The term "Credit Card Vendors" includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, "Apple Pay" and "Google Wallet"). You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider.

You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by

credit and/or debit cards.

5.28 Catering and Delivery

We may require you to participate in one or more third-party food ordering and delivery services with one or more suppliers who we have approved on behalf of the System (each, a "System Designated Third-Party Delivery Service"). In the event that we contract with any System Designated Third-Party Delivery Service directly, you shall be required to reimburse us for your pro-rata share of any costs or fees we pay to the System Designated Third-Party Delivery. Alternatively, in our sole discretion, we reserve the right to require you to make payment to the System Designated Third-Party Delivery Service directly on your own behalf.

We may also allow you to utilize other non-system designated third-party food ordering or delivery services at your Vitality Bowls Restaurant. You may not utilize any such non-system designated third-party services without first obtaining our written approval. In the event that you engage the services of any such non-system designated third-party service, any associated costs or fees charged in connection therewith shall be at your sole cost and expense.

Your engagement and utilization of all third-party food ordering and delivery services, whether a System Designated Third-Party Delivery Service or otherwise, must be in strict compliance with all specifications, standards and guidelines established by us. You acknowledge and agree that we may, at any time during the term of this Agreement, in our sole discretion access the financial records pertaining to any third-party delivery service (whether a "System Designated Third-Party Delivery Service" or otherwise) to ensure that the sales data you report to us or input into the POS System is accurate.

6. UNIT MANAGEMENT

6.01 Management

At all times during the term of this Franchise Agreement, you will designate a manager who meets our educational, managerial and business experience standards, and who will devote full time, energy, attention, and best efforts to the management and operation of the Restaurant ("Manager"). If you are an individual, you may serve as the Manager. If you are an entity, an owner, officer or other qualified employee may serve as the Manager. You will designate to us in writing the identity of your initial Manager as soon as possible after the Effective Date of this Franchise Agreement. You will designate to us in writing the identity of each successor Manager immediately after the prior Manager ceases to serve as Manager.

6.02 Manager Training

You and your initial Manager must, before the opening of the Restaurant, attend and complete to our satisfaction the initial training program required for Managers. You must adequately train any successor Manager you later employ. We will notify you if we determine that the training you provided is inadequate. In that case, your successor Manager must satisfactorily complete the initial training program we require promptly after we notify you. We will provide instructors, facilities, and training materials for the training of you and your initial Manager (a maximum of two (2) trainees and provided that all of your trainees attend the same initial training program). All other expenses incurred in connection with attendance of training, including the cost of travel, transportation, meals, lodging, and any wages will be your responsibility. You will pay to us the then-current tuition (or then-current per diem fee) and expenses we incur for the initial training we may require for any successor Manager you later employ, including the reasonable travel, transportation, meals, and lodging expenses we incur if we elect to provide this training at your Restaurant. If any Manager fails to successfully complete the initial training program to our satisfaction, we may require your Manager to attend additional training programs (at your cost) or we may require you to appoint a new Manager and to send that new Manager to the initial training program (at your cost). If, after this corrective action, your Manager fails to successfully complete the initial training program to our satisfaction, we may

terminate this Franchise Agreement.

6.03 Other Training

You and your Manager must attend any additional or refresher training programs that we designate as mandatory for franchisees and managers, respectively, unless your absence is excused by us. You will be responsible for all travel, transportation, lodging, meals and incidental expenses, and compensation of the people you send for additional or refresher training programs, and you will pay us the cost of providing training materials (if any), and any tuition we may impose under Section 7.09. All training materials are confidential, and will remain our property.

6.04 Employee Training

You will maintain competent and conscientious personnel to operate the Restaurant in accordance with this Franchise Agreement and the Manual. You will train or cause the training of all of your personnel as and when required by prudent business practices, System Standards, or this Franchise Agreement.

7. ASSISTANCE BY US

7.01 Restaurant Location

We will provide you with our standard site selection criteria and standard, proto-typical Restaurant layout plans and specifications. At our discretion and subject to our availability, we will also provide you with the assistance and consultation we deem advisable regarding site selection and/or the layout of the Restaurant at the Approved Location. You acknowledge that we will have no obligation to select or acquire a site on your behalf. We disclaim all liability for the consequences of approving a particular site. Our site selection assistance does not constitute any warranty or guaranty that the Franchised Business will be profitable or otherwise successful at the Approved Location.

7.02 Lease Review

You must submit your proposed lease for the Restaurant site to us for approval before signing. We will have the right to review the proposed lease for our benefit and to ensure the incorporation of the lease requirements set forth in Section 4.02 of this Agreement, after you submit the proposed lease to us. If the proposed lease complies with the requirements in Section 4.02 of this Franchise Agreement and is otherwise acceptable to us, we will notify you of our approval. The final decision whether to acquire a particular approved site or whether to sign a particular approved lease rests solely with you.

7.03 Restaurant Construction, Remodeling, and Build-Out

At our discretion and subject to our availability, we will provide you with the consultation we deem advisable regarding constructing, remodeling or build-out of the Restaurant. You must use our approved architectural, engineering and construction firms for the build-out of the Restaurant. If our approved architectural, engineering and/or construction firms are unavailable to perform the services within your Protected Area, you must obtain our prior written approval prior to hiring any architectural, engineering or construction firm for the build-out of the Restaurant.

7.04 Loan of Manual

Within fifteen (15) days after we sign this Franchise Agreement, we will loan to you for the term of this Franchise Agreement access to our current confidential operations manual, and we will later provide you with all periodic modifications thereto and any other manual we may develop specifying the System Standards (collectively, the "Manual"). If any copy of the Manual loaned to you is lost, stolen or destroyed before you return it to us, you must pay us our then-current replacement fee. We reserve the right to provide the Manual electronically, such as by CD-ROM, intranet or password-protected website. You acknowledge that your compliance with the Manual is vitally importance to us and other System franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation throughout the System. However, while the Manual is designed to protect our reputation and the

goodwill of the Marks, it is not designed to control the day-to-day operation of the Franchised Business.

7.05 Furnishings, Fixture, Equipment, and Signs

We will provide you with standard lists and/or specifications for approved furnishings, fixtures, equipment, and signs. We will provide you with standard lists of any authorized suppliers of any of these items. At our discretion and subject to our availability, we will provide you with the assistance and consultation we deem advisable regarding required furnishings, fixtures, equipment, and signs.

7.06 Inventory and Supplies

We will provide you with standard lists and/or specifications for approved inventory and supplies. We will provide you with standard lists of any authorized suppliers of any of these items. At our discretion and subject to our availability, we will provide you with the assistance and consultation we deem advisable regarding required inventory and supplies.

7.07 Purchasing Assistance

Although you are responsible for purchasing or leasing items and services for use in connection with the Franchised Business, we and/or our affiliates may offer optional assistance to you with purchasing or leasing items or services. We may require minimum standards or specifications for items and services, specify approved items and services, and restrict the suppliers authorized to sell or provide certain items and services in order to control quality, provide for consistent service, or obtain volume discounts. We will provide you with System Standards for items and services, our list of approved items and services, and our list of approved suppliers. You acknowledge that we and/or our affiliates may be the sole approved suppliers for certain approved items and services, and that we and our affiliates may derive revenue, income, consideration, payments and other material benefits on account of your purchase and/or lease of any item and any service, including, without limitation, your purchase of equipment, furnishings, fixtures, items, supplies, products, and services from us, our affiliates, our designees, and/or any other supplier. This income may be derived in any form, including as a rebate from any supplier or distributor based on the quantity of System franchisee purchases. We and our affiliates may use these benefits for any purpose we deem appropriate. We are not obligated to remit any benefit to you and we reserve the right to retain all such benefits. We do not guarantee the availability of independent sources of supply for any particular item or service required to establish or operate the Restaurant.

7.08 Initial Training

We will provide initial training to you and your initial Manager on dates we designate or approve. All initial training we provide will be offered, in our sole discretion, at a Restaurant operated by a franchisee or an affiliate, at our training facility, or at some other location in the United States we select, and will be subject to the provisions of Section 6.02. If you would like additional people to attend the initial training program and we have additional capacity, you will be charged an additional fee per person per day. You will also need to pay for the cost of travel, room and board, and other personal expenses for each person attending.

7.09 Other Training

We may in the future offer or require additional or refresher training for you or your Manager. Additional and refresher training will be held at one (1) or more locations in the United States we select, and may be held in conjunction with a franchisee conference. We may charge you for the cost of providing you the training materials (if any), and tuition for any additional or refresher training program if training occurs outside of our corporate headquarters, plus expenses. All additional and refresher training we provide will be subject to the provisions of Section 6.03.

7.10 Pre-Opening and Opening Assistance

We will provide you with pre-opening assistance and consultation as we deem advisable. We will provide you with on-site assistance for up to seven (7) days at your Restaurant in connection with your

opening, subject to scheduling. We will provide templates for certain promotional and advertising materials and consultation in connection with the grand opening marketing for the Restaurant, which promotion and marketing will be conducted at your expense.

7.11 Suggested Retail Prices

We will provide you with product information and suggested retail prices for approved items or services; however, unless we require otherwise in writing, you are not bound by our recommended prices. We reserve the right, subject to compliance with applicable laws, to require you to offer all menu items at prices not to exceed the prices we publish from time to time, effective upon written notice to you. We reserve the right to prohibit you from charging prices lower than our published menu prices for any item, to the maximum extent allowed by applicable law. You must honor the terms of all promotional or discount programs that we may offer to the public for System businesses and comply with any pricing policies we may specify, including minimum and maximum price policies, minimum advertised price policies and unilateral price policies, subject to applicable laws. You must also provide those services and other items we specify on such terms and at such rates, including free-of-charge, as we may specify, subject to applicable laws. Those amounts will specifically be set forth in writing. It is furthermore understood and agreed that any list or schedule of prices furnished to you by us, unless otherwise specifically stated as the minimum or maximum price limits, be treated as a recommendation only and failure to accept or implement any such suggestion may not in any way affect the relationship between you and us. If you choose to offer any items at a price we recommended, you understand and acknowledge that we do not represent, warranty, or guarantee that you will earn any level of sales or profitability. In determining prices, you must consider the general image of the Restaurant and the System and the integrity of the entire franchise system. If we elect to set minimum pricing for any item in accordance with applicable law, you shall not, under any circumstances, offer the item below the minimum pricing amount.

7.12 Continuing Consultations

We will assist you to understand your obligations under the System Standards and this Franchise Agreement, provide you with other continuing consultation, and may provide you with new proprietary methods and procedures relating to approved items or services, or to operation of the Restaurant, all on the terms as we deem appropriate. To the extent possible, this consultation will be provided during inspections and audits, through the System Standards, at training sessions (if any), and during franchisee conferences (if any). If you request additional operating assistance or services, we may require that you pay our then-current per diem fee and the expenses we incur in providing additional assistance to you.

7.13 Conferences

We may sponsor periodic conferences for our franchisees, at which seminars, workshops, and other training may be conducted. We may require you or your Manager to attend each conference and we may charge you for these programs. We may charge you, in the same manner as the royalty fee, a fee to cover our expenses. Franchisee shall pay Franchisor, in the same manner that Franchisee pays royalties, a convention fee for each year that an annual convention is held ("Convention Fee") for purposes of defraying Franchisee's cost of attending such annual conferences regardless of whether or not Franchisee attends the annual convention. If Franchisee fails to attend an annual conference for any reason, Franchisor shall be entitled to use the Convention Fee paid by Franchisee for any purpose in Franchisor's sole discretion. Once paid, the Convention Fee is non-refundable for any reason. We may preclude you from attending an annual convention/national conference if you are in default of this Franchise Agreement at the time of the annual convention/national conference or if you have had 2 notices of default within 12 months prior to any annual convention/national conference. We may also preclude you from participating in system calls, meetings or webinars while you are in default of this Franchise Agreement.

7.14 Marketing Programs

We will implement one or more Marketing Programs, and we (or our designee or affiliate) will administer the Marketing Programs. We will determine in our sole discretion: the nature and type of

program; the nature and type of media placement; the allocation (if any) among national, regional and local markets; the nature and type of advertising copy and other marketing materials; and all other aspects of the Marketing Programs. We do not promise that you will benefit directly or proportionately from any Marketing Programs. On occasion, we may make available to you, local advertising materials and programs, at your cost. We will use the marketing fees we collect from franchisees to pay for the Marketing Programs and to reimburse our reasonable direct and indirect costs, overhead, and other expenses (and those of our designee or affiliates) of providing services and materials relating to the Marketing Programs. We and our affiliates are not obligated to contribute money to the Marketing Programs or otherwise supplement the marketing fees; however, Restaurants owned and operated by us or our affiliates may voluntarily contribute to the Marketing Programs on the same basis as our franchisees. We have the right to terminate any Marketing Program, at our discretion. However, any termination of all Marketing Programs will not be effective until all marketing fees we have collected for the Marketing Program have been expended. If we terminate any Marketing Program, we may reinstate such Marketing Program at any time and such reinstated Marketing Program shall be administered as described herein. Subject to any applicable law, you may not undertake any special events, promotions or discounts without our written approval.

7.15 Brand Building Fund

We have established an advertising and marketing fund for Franchised Businesses ("Brand Building Fund"). You must contribute two percent (2%) of your Gross Sales. Your Brand Building Fund contribution will be due at the same time and in the same manner as the royalty fee. We reserve the right to increase your contribution requirement to three percent (3%) of Gross Sales upon thirty (30) days' written notice to you. Vitality Bowls businesses owned by us or our affiliates are not obligated to contribute to the Brand Building Fund but may do so on a voluntary basis. The Brand Building Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, and/or on the Internet, in our sole discretion.

The Brand Building Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The Brand Building Fund will be in a separate bank account, commercial account, or savings account. We may structure the Brand Building Fund organization and administration in any way that we determine. We may organize or reorganize the Brand Building Fund into a separate entity as we deem appropriate and we may transfer all Brand Building Fund Contributions and assets to the entity. We may require you to pay your Brand Building Fund Contributions directly to the entity.

We have complete discretion on how the Brand Building Fund will be utilized. We may use the Brand Building Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose we deem appropriate to promote the Vitality Bowls brand. We may reimburse ourselves, our authorized representatives and designees, and/or our affiliates from the Brand Building Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Brand Building Fund. We do not guarantee that advertising expenditures from the Brand Building Fund will benefit you or any other franchisee directly, on a pro-rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Building Fund contributions for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available", or similar phrasing. Additionally, media, materials and programs prepared using Brand Building Fund contributions may describe our franchise program, reference the availability of franchises and related information and process franchise leads. We have the right to require you to display materials we specify, in certain designated areas within your Restaurant as we determine, including materials indicating "Franchises Available."

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Building Fund or to maintain, direct or administer the Brand Building Fund. The Brand Building Fund is not a trust. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Building Fund on any terms we deem reasonable.

We may at any time defer or reduce a Franchisee's Brand Building Fund contributions and, upon thirty (30) days' prior written notice to you, reduce or suspend Brand Building Fund contributions and operations for one (1) or more periods of any length and terminate and/or reinstate the Brand Building Fund. If we terminate the Brand Building Fund, we are not required to return any Brand Building Fund contributions by you and will expend any retained contributions for the terminated Brand Building Fund for System advertising purposes. None of your Brand Building Fund contributions are refundable at any time, including upon termination or expiration of this Agreement.

7.16 Internet Site

We, or our designee or an affiliate, have the right to sponsor, maintain and administer the official Vitality Bowls website on the Internet (the "VB Website"). We or our designee may (but are not required to) include on the VB Website an interior page containing information about the Franchised Business. If we include such information on the website, we shall have the right to require you to prepare the page, at your expense, using our designated template. All information is to be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You shall follow our designated intranet and Internet usage rules, policies and requirements, as they may be developed, changed or modified by us in our sole and absolute discretion at any time during the Term. We retain the sole right to approve any linking to, or other use of, the website.

7.17 Additional Items, Services, and Suppliers

If you desire to offer additional items or services that we have not approved, or desire to purchase approved items and services from any supplier who we have not approved, you may request our approval of the additional items, services, or suppliers (although we are not obligated to approve any). We will notify you of our approval or disapproval of any new item, service, or supplier requested by you within a reasonable time (usually within ninety (90) days) after we have received all of the relevant information we requested. You must reimburse us for our costs associated with our review of any item, service or supplier you submit to us. We may withhold approval of any item, service, or supplier, as we determine in our discretion. We can revoke approval of an approved supplier at any time in our sole discretion, and we will notify you of any revocation of supplier approval.

7.18 Intranet System

We or our affiliate may establish an intranet system to assist you with your Franchised Business. If an intranet system like this is established, we or our affiliate will administer and maintain it, and, so long as you are in compliance with this Agreement, we will provide you and/or your Manager with access to this system. Subject to the System Standards, we will continue to allow you and/or your Manager to access our intranet system during the term of this Franchise Agreement, so long as you are not in default under this Franchise Agreement. We may require you to use the intranet system for communications, reports, and other functions, and you will comply with our requirements.

8. PAYMENTS AND REPORTS

8.01 Initial Franchise Fee

When you sign this Franchise Agreement, you will pay us the initial franchise fee stated in Attachment B. This initial franchise fee is in consideration of the administrative and other expenses we incurred in entering into this Franchise Agreement, and for our lost or deferred opportunity to enter into a

similar arrangement with others. The initial franchise fee is non-refundable, and is fully earned when we sign this Franchise Agreement. Some states have imposed a financial impound requirement. Please refer to the Addendum in Exhibit G to the FDD.

8.02 Royalty Fee

During the term of this Franchise Agreement, and for as long as you are using the System or Marks, you will pay us a continuing royalty fee ("Royalty Fee") equal to six percent (6%) of all revenues you receive from the sale of any items and services, and all other income of every kind and nature related to the Franchised Business or Restaurant operations, whether or not sold or performed at or from your Restaurant, and whether for cash, credit, coupon, in services in kind, from barter, exchange or otherwise, and regardless of collection in the case of credit, but not including: (a) any sales taxes or other taxes you collect for transmittal to the appropriate taxing authority; or (b) any bona fide, documented refunds and credits you make in good faith to customers in accordance with our policies (but only if the original amounts were included in Gross Sales) (collectively, "Gross Sales").

For purposes of calculating "Gross Sales", the following shall also apply:

i. All barter and/or exchange transactions in which you furnish services and/or products in exchange for goods and/or services provided to you by a vendor, supplier, or customer, will, for the purpose of determining "Gross Sales", be valued at the full retail value of the goods and/or services so provided to you.

ii. If you offer any services, including catering, delivery or special events, all of these transactions (including additional delivery or fees) must be entered into the POS System at the full, standard retail price and shall be included in the calculation of "Gross Sales". We reserve the right to access and audit, at any time in our sole discretion, the financial and sales data of the third-party delivery services you contract with to ensure the sales data you are reporting to us or inputting in to the POS System is accurate.

iii. "Gross Sales" shall include the full redemption value of any gift certificate or coupon sold for use at your Restaurant (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation).

iv. "Gross Sales" shall not be reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow your Vitality Bowls Restaurant to do business.

8.03 Brand Building Fund Contribution

During the term of this Franchise Agreement, if we establish the Brand Building Fund, you will also pay us a continuing marketing fee in the amount of two percent (2%) of your Gross Sales ("Brand Building Fund Contribution"). Your Brand Building Fund Contribution will be due at the same time and in the same manner as the Royalty Fee. We reserve the right to increase this amount up to three percent (3%) of Gross Sales upon thirty (30) days' written notice to you.

8.04 Place and Method of Payment

You will pay us, without billing or demand, all Royalty Fees and Brand Building Fund Contributions required by this Franchise Agreement no later than 12 A.M. PST on Monday of each week for the preceding business week (Monday through Sunday). All fees and other payments due to us under this Franchise Agreement will be made to us at our headquarters in San Ramon, California or as we otherwise specify in writing. We have the right to require you to transmit fees and other payments to us by means of electronic fund transfers, sweep accounts, Internet payment methods, or other methods in accordance with procedures that we may establish in the Manual or otherwise specify in writing. If we require special means of payment, you will establish any required accounts and sign all documents reasonably required, and will otherwise cooperate with us, to effectuate these means (See Exhibit I of the

Franchise Disclosure Document). If any payment is made to us by credit card for any fee required, we may charge a service charge of up to three percent (3%) of the total charge.

8.05 Late Fee and NSF Fee

If we do not timely receive any fee or any other amount due to us under this Franchise Agreement on or before the applicable due date, you will pay us a late fee equal to $100, plus the lesser of the daily equivalent of: (i) fifteen percent (15%) per year simple interest; or (ii) the highest amount allowed under law, on any overdue amount for each day any amount is past due, accruing until the past-due amount is paid in full. This provision does not permit or excuse late payments. If any check, electronic payment or other payment due under this Franchise Agreement is not honored for any reason, you will pay us an additional fee of $100 to help offset bank charges and administrative expenses.

8.06 Taxes

If any federal, state, or local tax (other than an income tax) is imposed upon any fees you paid us under this Franchise Agreement, then you agree to compensate us in the manner we prescribe so that the net amount or net rate we receive is no less than as established by this Franchise Agreement.

8.07 Allocation of Payments

Unless we otherwise agree in writing, all payments you make to us under this Franchise Agreement will be applied in the order we may decide in our sole discretion. We will not be bound by any instructions for allocation you specify.

8.08 Right of Offset

We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities that you may owe to us against any amounts or liabilities that we may owe you under this Franchise Agreement or any other agreement, loan, transaction, or relationship between the parties.

8.09 Books and Records

You will maintain complete and accurate accounting books and records relating to the Franchised Business in accordance with generally accepted accounting principles and standards, subject to this Franchise Agreement and other reasonable accounting standards we may specify periodically. You will use our designated or approved providers for professional bookkeeping and payroll service(s). You shall provide us with direct access, including remote log-in information for electronic access, to view your bookkeeping and financial books and records, including your electronic bookkeeping records (i.e. remote log-in access to your Quickbooks). You hereby authorize your bookkeeping and payroll service provider to provide us with direct access to view your bookkeeping and financial records, including remote-log in information. You hereby agree to provide any and all consents necessary for our direct access to your bookkeeping and financial books and records, including as may be required or requested by your bookkeeping and payroll service provider(s). You acknowledge and agree that we have the right to use and disclose your financial and performance information, and any other information obtained through our access to your records, in our franchise disclosure documents.

8.10 Reports

You will prepare written periodic reports, in the forms required by the System Standards, containing the information we require about your operations during each reporting period. You will submit all required weekly reports no later than 12 A.M. PST on Monday of each week for the preceding business week (Monday through Sunday). We may reasonably request in writing to modify the deadline days and times for submission of all reports. You will submit all required monthly reports to us within 15 days after the month to which they relate, and all other reports within the time period required by the System Standards. If you do not submit the monthly reports to us within five (5) days of the request, you will be required to pay a late fee of $100 per occurrence and $100 per week until you submit the required report.

If established, we will place these fees in the Brand Building Fund. You will prepare and submit other reports and information about your operations as we may reasonably request in writing or as required by the System Standards. We may require, at our option, that certain reports you are required to submit be certified as accurate and complete by you, your owners or your chief financial officer, and that certain reports be submitted using the formats and communication media that we specify. If requested by us, your profit and loss statements and balance sheets must be certified by a certified public accountant at your expense and you will cause your certified public accountant, if any, to consult with us concerning such statements and balance sheets at your cost.

8.11 Financial Statements

You will deliver to us, no later than sixty (60) days from the end of each of your fiscal quarters, a profit and loss statement covering the Franchised Business for the relevant quarter and a balance sheet of the Franchised Business as of the end of that quarter, all of which you must certify as complete and accurate. You must prepare all financial statements in any format we may require. In addition, you must, within thirty (30) days after we request, deliver to us a financial statement, certified as accurate and complete, in a form which is satisfactory to us and which fairly represents your total assets and liabilities.

8.12 Tax Returns

You and we will file our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers' compensation payments with respect to our respective employees and operations, and we will save and indemnify one another from any and all liability of any nature whatsoever by virtue thereof. Promptly upon our request, you will furnish us with a copy of each of your reports and returns of sales, use, and gross receipt taxes and complete copies of any state or federal income tax returns covering the operation of the Franchised Business.

8.13 Ownership Information

Promptly upon our request, you will furnish to us a list of all holders of legal and beneficial interests in your business entity, together with a description and percentage of ownership amount, addresses and telephone numbers, certified in writing as being accurate and complete. If any of your general partners, officers, directors, or limited liability company managers cease to serve in that capacity, or if any individual is elected or appointed as a new general partner, officer, director, or limited liability company manager, you will notify us within ten (10) days after the change. Any of your new owners must sign an Owners Agreement with us.

8.14 Record Retention

You will retain copies of all reports, and originals or copies of all other information, books, records, and other materials relating to operation of the Franchised Business for a period of five (5) years following their respective dates, or any longer period required by applicable law.

9. SYSTEM STANDARDS AND MANUAL

9.01 System Standards

The System includes, without limitation: (a) our trade secrets and other intellectual property, including Confidential Information (as defined in Section 11.01), the Manual, and know-how;
(b) marketing, advertising, publicity, public relations, and other promotional materials and programs; (c) System Standards; (d) training programs and materials; and (e) service quality and customer satisfaction standards and programs. You acknowledge and agree that every detail of the System is important to us and all of our franchisees in order to develop and maintain high and uniform operating standards, to increase the demand for the items and services marketed by all franchisees, and to protect our reputation and goodwill. You will maintain the high System Standards with respect to your Restaurant premises, facilities, furnishings, fixtures, equipment, signs, services, items, and operations. You will strictly comply with all of the mandatory System Standards in the Manual or that we otherwise provide to you in writing including

the Franchise Inspection Report as included in the Manual. Failure to follow any and all standards within the Manual, in its entirety, is grounds for immediate termination of Franchise Agreement.

9.02 Modification of the Manual

We may, in our sole discretion, change, delete from, or add to the System, including any of the System Standards, by providing you with written notice thereof, or by modification of the Manual; however, no modification will alter your fundamental rights or status under this Franchise Agreement. You will implement all mandatory modifications promptly after written notice from us. If there is a dispute as to the contents or meaning of any part of the Manual, the version we maintain at our principal office will be controlling. The Manual is confidential and will remain our property.

9.03 Ownership of the System

We own all rights, title, and interest in and to the System. You will not acquire any proprietary interest in the System. Your right to use the System is a non-exclusive license, derived solely under this Franchise Agreement. Unauthorized use of the System by you will constitute a material breach of this Franchise Agreement.

9.04 System Improvements

All present and future distinguishing characteristics, improvements, and additions to, or associated with, the System by us, you or others, and the associated goodwill will be our property, and will exclusively benefit us. Any concept, process, service, or improvement in the operation or promotion of the Restaurant you may develop will become our property, and we may use or disclose it to others without any obligation to compensate you for it.

9.05 Variations

You acknowledge that it may not be possible or practical for us to require complete and detailed uniformity under the various types of conditions different franchisees may face, and under changing customer needs and market conditions. Accordingly, we reserve the right to vary standards for any franchisee based upon the particular situation involved, local conditions, existing business practices, or any other factor that we consider important to the successful operation of the particular franchisee's business. You will have no rights or claims against us for any variation from standard specifications and practices granted to any other franchisee, and you are not entitled to the same or similar variation.

10. MARKS

10.01 Ownership of the Marks

You acknowledge that we or our affiliates own all rights, title, and interest in and to the Marks. You will not acquire any proprietary interest in the Marks, and you will not challenge ownership of the Marks or our right to use the Marks. Except as expressly provided in this Franchise Agreement, you will not acquire any rights to the Marks. Your right to use the Marks is merely a non-exclusive license, derived solely under this Franchise Agreement.

10.02 Registration

We or our affiliates have taken and will take all steps reasonably necessary, in our and their sole opinion, to preserve and protect ownership of, and the validity of, the Marks. You will not apply for governmental registration of the Marks, or contest the registration status of the Marks. You will display the Marks, and give notice of trademark registration and claims in the following manner: "Acai Bowls®" "Vitality Bowls™" (or as otherwise required in the Manual). You will cooperate fully and in good faith with us and our affiliates for the purpose of maintaining registrations and prosecuting applications for the Marks, and otherwise securing and preserving their rights in and to the Marks.

10.03 Use of the Marks

You will not use the Marks unless you have our prior express written consent. Before each intended use of any material of any nature which bears any of the Marks, you will submit to us samples of the materials. We will review samples of all marketing materials and other materials bearing our Marks you submit to us for approval, and we will notify you of our decision. You will use the Marks only as expressly authorized by this Franchise Agreement, the Manual or as we otherwise provide in writing. Unauthorized use of the Marks by you will constitute a breach of this Franchise Agreement, and an infringement of our rights in and to the Marks. You will take all steps necessary or appropriate to preserve the goodwill and prestige of the Marks. You will use the Marks only in connection with the Franchised Business. You will not use any Mark in your corporate name or legal name, but you may use a Mark in an assumed business or trade name if you first obtain our prior express written consent. You will not use any Mark with any prefix, suffix or other modifying trademarks, logos, words, terms, designs or symbols or in any modified form. You will not use any Mark in connection with any unauthorized item or service, or in any manner not expressly authorized under this Franchise Agreement.

10.04 Benefits of Usage

All usage of the Marks and any goodwill associated with the Marks will exclusively benefit us and our affiliates. All present and future service marks, trademarks, copyrights, service mark registration and trademark registration used or to be used as part of the System, and the associated goodwill, will be the property of us or our affiliates, and will inure solely to our and their benefit. Upon the expiration or termination of this Franchise Agreement for any reason, no monetary amount will be assigned as attributable to any goodwill associated with your use of the Marks.

10.05 Infringement and Litigation

You will promptly notify us in writing of: (a) any adverse or infringing uses of the Marks (or names or symbols confusingly similar), Confidential Information (as defined in Section 11.01) or other System intellectual property, and (b) any threatened or pending litigation related to the Marks or System against (or naming as a party) you or us, of which you become aware. We or our affiliates will handle disputes with third parties concerning use of all or any part of the Marks or System in any manner we or they deem appropriate, in our or their sole discretion. You will cooperate fully and in good faith with our or their efforts to resolve these disputes. We or our affiliates may bring suit in your name or join you as a party to the relevant proceedings. We or our affiliates may resolve any dispute by obtaining a license of the property for you at no expense to you, or by requiring that you discontinue using the infringing property or modify use to avoid infringing the rights of others. We need not initiate suit against imitators or infringers who do not, in our sole opinion, have a material adverse impact on the Franchised Business, and we need not initiate any other suit or proceeding to enforce or protect the Marks or System in a matter that we do not believe, in our sole opinion, to be material. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine in our sole discretion that you have used the Marks in accordance with this Franchise Agreement, we will bear the cost of your defense, including the cost of any judgment or settlement. If we determine in our sole discretion that you have not used the Marks in accordance with this Franchise Agreement, you must bear the cost of your defense, including the cost of any judgment or settlement. If there is any litigation relating to your use of the Marks, you will sign all documents and do all acts as may be necessary in our opinion to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that any litigation results from your use of the Marks in a manner inconsistent with the terms of this Franchise Agreement, we will reimburse you for your out-of-pocket litigation costs in cooperating with us in the litigation.

10.06 Substitution of Marks

We reserve the right to substitute different proprietary marks for use in identifying the System, the businesses operating under the System, and/or the items or services offered, if the Marks no longer can be used, or if we, in our discretion, determine that substitution of different proprietary marks will be beneficial

to the System. In these circumstances, the use of the substituted proprietary marks will be governed by the terms of this Franchise Agreement, and we will not compensate you for the costs of any substitution. You will promptly implement any substitution, at your own expense.

11. CONFIDENTIAL INFORMATION

11.01 Confidential Information

We possess certain non-public trade secrets, proprietary information, technical data, or know-how that relate to our business, System, services, or items, or to a Franchised Business, including the Manual, System Standards, quality-control systems, training materials, and information regarding salary, research, recipes, proprietary items and services, developments, inventions, processes, techniques, designs, marketing, finances, and operations (collectively, "Confidential Information") that we will provide to you. You will also obtain other Confidential Information during the term of this Franchise Agreement. You acknowledge that your entire knowledge of the operation of a superfood cafe offering Acai Bowls, including the method of establishing this type of unit, preparing Acai Bowls and related items, and marketing this type of unit, and the related specifications, standards, and procedures involved in the operation of a Restaurant are derived solely from Confidential Information we disclosed (or will disclose) to you.

11.02 Protection of Confidential Information and Data

You will use the Confidential Information only in the operation of the Franchised Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Franchise Agreement. You will take all appropriate actions to preserve the confidentiality of all Confidential Information, including keeping the Manual in a locked location. Access to Confidential Information must be limited to only your employees who need the Confidential Information to perform their jobs and who are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed our Confidentiality and Non-Competition Franchise Agreement. You will not copy or permit copying of Confidential Information. Your obligations under this section begin when you sign this Franchise Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus three (3) years. We will respond promptly and in good faith to any inquiry by you about continued protection of any Confidential Information.

All data that you collect, create, provide or otherwise develop (including, but not limited to customer information) is (and will be) owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you, at no additional cost, solely for the term of this Franchise Agreement and solely for your use in connection with the business franchised under this Franchise Agreement. You agree to provide us with the information that we reasonably require with respect to data and cybersecurity requirements. You agree to indemnify us for any loss of data including, but not limited to customer information, resulting from a breach of such data caused, in whole or in part, by you.

11.03 Disclosure of Confidential Information

Notwithstanding anything to the contrary in this Section 11, you may disclose Confidential Information if you are required by law to disclose it, provided that you give us at least ten (10) days' notice, if feasible, of your intent to disclose. You may also disclose Confidential Information to your attorneys, accountants, financial and investment advisors, bankers or lending institutions, and other advisors and consultants of a similar nature, provided that any disclosure is only to the extent necessary for your advisors to perform their services for you, and provided that these persons have the obligation to, or otherwise agree, to keep the Confidential Information confidential. At our request, you will require that your officers and

other employees sign covenants to maintain the confidentiality of any Confidential Information, and these covenants will be in a form acceptable to us and will identify us as a third-party beneficiary with the independent right to enforce them.

12. INSPECTIONS AND AUDITS

12.01 Inspections and Audits

You hereby grant to us and our employees, representatives, and agents the right to enter the Restaurant during regular business hours. You will permit our employees, representatives, and agents access to your offices, Restaurant premises, storage areas, and other places of business, to perform inspections of your operations (including Restaurant premises, furnishings, fixtures, equipment, signs, inventory, and supplies), files, documents, records, items and Mark usage, and to audit your financial and operating books and records (including tax returns) relating to the Franchised Business, with or without prior notice of the inspection or audit. The inspections and audits will occur during normal business hours, although we may observe your operations and accounting activity at any time. You, and your owners, officers, Managers, employees, agents, and representatives will cooperate with our inspectors and auditors in the performance of their duties. You will permit our inspectors and auditors to, among other things: take photographs, movies, videotapes, or sound recordings; interview your Managers, employees, agents, and representatives; interview your customers; make copies of your books, records, and other documents relating to the Franchised Business; and take samples of food, beverages, ingredients, documents, inventory, supplies, items, and other materials from your Restaurant premises, storage areas, and other facilities used in connection with the Franchised Business.

12.02 Unapproved Items and Services

You acknowledge that the offer or sale of any unapproved items or services at the Restaurant constitutes a material breach of this Franchise Agreement and good cause for termination of this Franchise Agreement. You authorize us to cure any default under this Section 12.02 on your behalf by removing and disposing of any unapproved items and unapproved equipment and other materials from the Restaurant. Any dispute between you and us as to whether any item, service, or equipment is approved will be governed by the official lists we maintain at our principal place of business. You hereby grant us all of your right, title, and interests in and to any unapproved items and equipment at the Restaurant, and waive any claims you may have against us arising from the removal and disposal of any unapproved items and unapproved equipment and other materials. You acknowledge that we have the right to physically remove any unapproved items and equipment from the Restaurant, and to dispose of them in any way we desire, without any compensation to you.

12.03 Other Corrective Action

If we notify you of any deficiencies in the operation of the Restaurant pursuant to this Franchise Agreement which are detected during an inspection or which otherwise become known to us, you will take the steps that we may require to correct all deficiencies within the time period we specify. The failure to follow this express covenant is grounds for immediate termination of this Franchise Agreement. You agree to reimburse us for any expenses we incur (including, but not limited to, the time and travel expenses of our representatives) if (a) the inspection or audit contemplated by Section 12.01 is not satisfactory (in our sole discretion) or (b) you are found to be offering unapproved items or services pursuant to Section 12.02.

12.04 Payments

You will pay us any underpayment of, and we will pay to you or credit your account for any overpayment of, Royalty Fees discovered by an audit.

12.05 Audit and Inspection Costs

You will pay us for the reasonable travel, lodging, meal expenses, and other audit and inspection

costs we incur if you or your owners, officers, Managers, employees, agents, or representatives fail to fully cooperate with our auditors or inspectors, or if the audit reveals that you have paid us less than 98% of the required amount of fees for any week, only relating to those fees which have not been accounted for and paid within other weeks prior to the audit. You shall also pay any understated amount owed to us, if the understated amount totals more than $2,500, along with applicable late fees and interest of one and one-half (1.5%) per month on. We may publish or disclose the results of our inspections and audits. Our rights under this Section 12.05 survive for two (2) years after expiration or termination of this Franchise Agreement, or any Transfer. In addition, in the event of any failed or unsatisfactory inspection of your Restaurant, you agree to reimburse for any expenses we incur (including, but not limited to, the time and travel expenses of our representatives) in connection with any re-inspection of the Restaurant.

13. RELATIONSHIP OF THE PARTIES

13.01 Independence

You are an independent contractor. You are not our legal representative or agent, and you have no power to obligate us for any purpose whatsoever. We and you have a business relationship based entirely on and circumscribed by this Franchise Agreement. No partnership, joint venture, agency, fiduciary, or employment relationship is intended or created by reason of this Franchise Agreement. You will exercise full and complete control over, and have full responsibility for, all of your contracts, daily operations, labor relations, employment practices and policies, including the recruitment, selection, hiring, disciplining, firing, training, compensation, work rules, and schedules of your employees. At all times, including in connection with all uses of any of the Marks, in connection with the operation of the Franchised Business, and in connection with all dealings with customers, suppliers, public officials, the general public, and others, you will conspicuously indicate your status as an independent contractor, including in all contracts, advertising, publicity, promotional, and other marketing materials, and on any signage and uniforms, and in the manner specified in the Manual or as we otherwise may require. You will not make any express or implied agreements, guarantees, or representations, or incur any debt in our name or on our behalf. You will not represent that the relationship between you and us is anything other than a franchise relationship. You will not hold yourself out as our agent, employee, or co-venturer. We will not be obligated by or have any liability under any agreements or representations made by you, and we will not be obligated for any damages to any person or property directly or indirectly arising out of your operation of the Franchised Business or the Restaurant.

13.02 Joint Status

If you comprise two (2) or more persons or entities (notwithstanding any agreement, arrangement, or understanding between or among these persons or entities), the rights, privileges, and benefits of this Franchise Agreement may only be exercised and enjoyed jointly. The liabilities and responsibilities under this Franchise Agreement will be the joint and several obligations of all these persons or entities.

14. INSURANCE AND INDEMNIFICATION

14.01 Insurance Coverage

Before your Restaurant first opens for business, you will obtain insurance in the types and amounts specified herein. Your insurance policies must designate us, our directors, officers, employees, agents, and other designees as additional insureds, and your policies must provide that the insurer will not cancel or materially alter the policies without giving us at least thirty (30) days' prior written notice to the franchisor. You will maintain all required insurance in force during the term of this Franchise Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits and amounts as we may periodically require. All insurance coverage will be underwritten by a company acceptable to us, with a Best's Rating of no less than "A." If you fail to purchase required insurance conforming to our standards, we may obtain insurance for you, and you will pay us the cost of insurance plus a 20% administrative surcharge. Your compliance with these insurance provisions does not relieve you of any liability under any

indemnity provisions of this Franchise Agreement.

We currently require you to maintain the following insurance coverages: (1) commercial general liability insurance, including contractual liability (covering the liability of the franchisee to the franchisor by virtue of the indemnification agreement in this franchise agreement) covering bodily injury (including death), property damage, personal & advertising injury, products & completed operations, and fire damage legal liability, written on an occurrence form, with combined bodily injury and property damage limits of liability of at least $1,000,000 per occurrence, $2,000,000 per location aggregate, $1,000,000 personal & advertising injury, $2,000,000 products & completed operations, with $5,000 per person medical benefits, and a maximum deductible of $2,500. The policy should be written on form CG00 01 or its equivalent. Such insurance is to be primary insurance, notwithstanding any insurance maintained by the indemnified parties/additional insureds; (2) "all risks" or "special form" property insurance on all furniture, fixtures, equipment, inventory, supplies, personal property of franchisee, alterations, improvements and betterments installed, paid for or purchased by franchisee, and other property used in the operation of the Franchised Business (including flood, terrorism, breakage of glass and/or earthquake coverage where there are known risks) for full replacement value, without deduction for depreciation and without coinsurance or with an agreed amount clause waiving coinsurance, and a maximum deductible of 5,000; (3) workers compensation insurance consistent with applicable law providing statutory benefits and employer's liability coverage in an amount that is no less than $1,000,000; (4) cyber, $1,000,000; (5) "all risk" or "special form" business income/rent/extra expense following terms of item (2) above in an amount to cover the loss of twelve (12) months of gross profits and continuing expenses during the period of partial or total shutdown of tenants business and six (6) months of extended period of indemnity until the business is back to the level where it would have been had there been no casualty; (6) Automobile liability insurance including coverage for any owned, no-owned and hired car liability insurance for combined limits of liability of no less than $1,000,000 per occurrence; (7) Umbrella or excess liability insurance with limits of liability of no less than $2,000,000 excess of underlying general liability, automobile and employer's liability on a no less than follow form basis; (8) commercial crime/employee dishonesty coverage with a limit of no less than $100,000; and (9) employment practices liability insurance (including coverage for harassment, discrimination, and wrongful termination, and covering defense and indemnity costs) with a limit of no less than $1,000,000. Our insurance requirements are subject to change during the term of this Franchise Agreement, and you agree to comply with each such change.

Franchisor (us) and Franchisee (You) each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Franchisee shall, upon obtaining the policies of insurance required under this Agreement, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Agreement.

14.02 Proof of Insurance

Before your Restaurant first opens for business, you will provide us with a copy of each certificate of all required insurance policies accompanied with the appropriate additional insured and notice of cancellation endorsements. You will promptly provide us with copies of each certificate for all renewal or replacement insurance policies. Within ten (10) days after we request, you will provide us with a complete copy of any of your insurance policies that we request.

14.03 Your Indemnification of Us

Independent of your obligation to procure and maintain insurance, you will indemnify, defend, and hold us and our affiliates, the respective officers, directors, partners, shareholders, employees, agents, and contractors of these entities, and the successors, assigns, personal representatives, heirs, and legatees of all of these persons or entities (collectively, the "Indemnitees") harmless, to the fullest extent permitted by law, from and against all expenses, losses, payments, or obligations to make payments either (a) to or for

third party claimants by any and all Indemnities, including refunds, or (b) incurred by any Indemnities to investigate, take action, respond to, or defend a matter, including investigation and trial charges, costs and expenses, fees, fees paid to professionals, attorney fees, experts' fees, court costs, settlement amounts, judgments and costs of collection (collectively, "Losses and Expenses"), incurred by any Indemnitee for any investigation, claim, action, suit, demand, administrative, or alternative dispute resolution proceeding, actually or allegedly, directly or indirectly, relating to, arising out of, or resulting from or in connection with: any transaction, occurrence, or service involving the Franchised Business, the Restaurant, or this Franchise Agreement; your marketing, selling, or providing of items and services; and any breach or violation of any agreement (including this Franchise Agreement), or any law, regulation or ruling by, or any act, error or omission (active or passive) of, you, any party associated or affiliated with you or any of the owners, officers, directors, Managers, employees, and agents of you or your affiliates, including without limitation: (i) those alleged to be found or to have been caused by the Indemnitees negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction; (ii) the infringement, alleged infringement, or any other violation by your, your owners or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to your unauthorized use of all or any proprietary Marks and/or System; your, or your owners', violation, breach, or asserted violation of any federal, state, or local law, regulation, ruling or industry standard; (iii) your or your owners' libel, slander, or any other form of defamation; and (iv) your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees and any labor or employment law violation. Any cost that we incur pursuant to this obligation must be paid to us within 30 days of our delivery of the date we invoice you. We are entitled to select attorneys and experts of our choosing, at our sole discretion. Any invoices received from our counsel are confidential and will be submitted to you if you request them after redaction. You will also be responsible for the costs of redaction, if any, upon your request for any such invoices. This indemnity will continue in full force and effect subsequent to and notwithstanding this Franchise Agreement's expiration or termination.

14.04 Your Indemnification Duties

You will respond promptly to any matter described in Section 14.03, and defend the Indemnitee. You will reimburse the Indemnitee consistent with Section 14.03 within thirty (30) days of the Indemnitee submitting invoice to you for all costs of defending the matter, including all attorney fees incurred by the Indemnitee whether or not your insurer assumes defense of the Indemnitee promptly when requested. We have the right to approve any resolution or course of action, including but not limited to the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on us, the Marks or the System, or could serve as a precedent for other matters.

14.05 Our Indemnification of You

We will indemnify, defend, and hold you harmless from and against all investigation and trial charges, costs and expenses, attorney fees, experts' fees, court costs, settlement amounts, judgments, and costs of collection incurred by you in any action or claim, actually or allegedly, arising out of or resulting from or in connection with the gross negligence or intentional misconduct of us or any of our employees while acting within the course and scope of their employment.

15. TRANSFERS

15.01 Transfer by Us

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

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

15.02 Transfer by You

You acknowledge that the rights and duties set forth in this Franchise Agreement are personal to you, and that we have granted these rights in reliance on your business experience, skill, financial resources, and personal character (and that of your owners, officers, directors, Managers, and guarantors, if any). Accordingly, neither you, nor any immediate or remote successor to any part of your interest in this Franchise Agreement, nor any individual or legal entity that directly or indirectly owns any interest in you will sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in this Franchise Agreement, or in you, or in all or substantially all of the assets of the Franchised Business (collectively, a "Transfer"), unless we consent and all of the requirements of Section 15.03 and Section 15.04 are satisfied. Any transaction requiring our consent under this Section 15.02 for which our express written consent is not first obtained will be null and void, and shall be a material default of this Franchise Agreement. In that event we may terminate this Franchise Agreement under Section 16.01, you will remain responsible for performing the post-termination obligations in Section 17, and the purported transferee may not operate the Franchised Business under the Marks or the System.

15.03 Transfer Conditions

We may, for any reason to the extent permitted by applicable law, condition and withhold our consent to a Transfer, when required under Section 15.02 until the transferee and you meet certain conditions. If a Transfer is to occur: (a) the proposed transferee must apply for a Vitality Bowls franchise and must meet all of our then-current standards and requirements for becoming a Vitality Bowls franchisee, in our sole discretion; (b) you or the proposed transferee must provide to us in writing the circumstances of the proposed Transfer; (c) the proposed transferee must provide to us the same supporting documents as a new franchise applicant; (d) you or the proposed transferee must pay us a transfer fee of: (i) $10,000 if the Transfer is to an person that has already been approved by us and owns an interest in an existing Vitality Bowls® franchise (an "In-System Transfer"), or (ii) $15,000 for all other Transfers (each, an "Out-Of-System Transfer"), with a nonrefundable $1,000 deposit due to us upon your submission of the request for approval of a Transfer, regardless of whether the request is related to an In-System Transfer or an Out-Of-System Transfer); (e) you or the proposed transferee must reimburse us for all costs and expenses we incur in connection with the review and, if approved, processing of the proposed transfer, including reasonable attorneys' fees, and brokerage fees; (f) the proposed transferee must sign the form of franchise agreement we then offer to prospective franchisees, which agreement will provide for a new initial term of ten (10) years, and the transferee's owners will sign the form of owners agreement we then require of franchisees' owners; (g) the proposed transferee and its manager must complete to our satisfaction the initial training then required for new franchisees and their managers; (h) you or the proposed transferee must refurbish the Restaurant to conform to our then-current standards and specifications; (i) we must receive general releases from you and each of your owners, and payment of all amounts then owed to us and our affiliates by you and your owners and affiliates, and the transferee and its owners and affiliates, under this Franchise Agreement or otherwise; (j) you must not be in default under this Franchise Agreement or any other agreement with us or any of our affiliates; (k) you must give us at least thirty (30) days' prior written notice of any proposed Transfer; (l) you must sign a System Protection Agreement not to engage in a competitive business for two (2) years within twenty-five (25) miles of the Restaurant or another Vitality Bowls

franchise; (m) you or the proposed transferee must reimburse us for any commission or broker fees we are responsible for related to the proposed Transfer, if any and (n) you or the transferee must provide us with any additional information that we may reasonably request. We may withhold consent to the proposed transfer until all of these conditions are completely satisfied.

15.04 Right of First Refusal

Any individual or entity holding any direct or indirect interest in this Franchise Agreement or in a substantial portion of the assets of the Restaurant or in you (if you are an entity) and who desires to accept any bona fide offer from a third party to purchase the relevant interest or assets must notify us in writing of each offer, and must provide the information and documentation relating to the offer as we may require. We have the right and option, exercisable within thirty (30) days after receipt of this written notification, to send written notice to the seller that we or our designee intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we or our designee elect to purchase the seller's interest, closing of the purchase will occur within sixty (60) days from the date of notice to the seller of the election to purchase by us or our designee. If we decline to purchase the seller's interest, the seller will have ninety (90) days from the date it gives written notice to us of its purchase offer to sell its interest on the same terms and conditions and to the same transferee as described to us in the written notice. Any material change thereafter in the terms of the offer from a third party will constitute a new offer that will be subject to our right of first refusal under this Franchise Agreement. Our failure to exercise the option afforded by this Section 15.04 will not constitute a waiver of any other provision of this Franchise Agreement, including all of the other requirements of Section 15.03 with respect to the proposed Transfer. If the consideration, terms or conditions offered by a third party are of the type that we or our designee may not reasonably be able to furnish the same consideration, terms or conditions, then we or our designee may purchase the relevant interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration terms or conditions offered by the third party, then each party will select an independent appraiser. The two (2) appraisers will then have up to fifteen (15) business days to agree on a reasonable equivalent in cash. If they cannot agree during that period, then the reasonable equivalent in cash will be the average of the two (2) appraisals. Our right of first refusal is fully assignable by us. If we fail or refuse to exercise our option and the Restaurant is not subsequently sold to the proposed purchaser for any reason, we shall continue to have, upon the same conditions, a first option to purchase the Restaurant upon the terms and conditions of any subsequent offer.

15.05 Death, Divorce, or Incapacity

Upon the death, divorce or incapacity of you (if you are an individual) or in your majority owner of you (if you are an entity), we will have the right to take over your lease and to purchase some or all of the assets of the Franchised Business under Section 17.11. If we exercise this right, you and your majority owner (in the event of divorce), or the executor, administrator, personal representative, trustee, or heirs of such person (in the event of death or incapacity) must fully cooperate with us in an orderly Transfer and also pay us a fee of $250 per day per representative ("Management Fee"), plus expenses for as long as we continue to manage the franchise. If we do not elect to exercise this right, you, your majority owner, or the executor, administrator, personal representative, trustee, or heirs of such person must transfer the relevant interest to a third party approved by us as soon as practically possible, and in no more than six (6) months after the relevant death, divorce, or incapacity. This Transfer, including any Transfer by devise or inheritance, will be subject to the same conditions as other Transfers under this Franchise Agreement. However, in the case of Transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable or unwilling to meet the conditions in Section 15.03, the executor, administrator, trustee, or personal representative of the deceased person will have a reasonable time (no longer than six (6) months) to dispose of the interest in the Franchised Business, which will be subject to all the terms and conditions for Transfers contained in this Franchise Agreement. If the interest is not disposed of within six (6) months following the relevant death or incapacity, we may terminate this Franchise Agreement under Section 16.01.

15.06 No Waiver

Our consent to a Transfer hereunder will not constitute a waiver of any claims we may have against you or the transferring party or our right to demand exact compliance with any provision of this Franchise Agreement.

16. DEFAULT AND TERMINATION

16.01 Termination by Us without Right to Cure

You will be deemed to be in material incurable default under this Franchise Agreement, and we may terminate this Franchise Agreement for good cause effective immediately upon delivery of notice of termination to you, for any of the following grounds: (a) you (or any of your owners) are adjudged bankrupt, become insolvent, make an assignment for the benefit of creditors, are unable to pay your debts as they become due, a petition under any bankruptcy law is filed against you, or a receiver or other custodian is appointed for a substantial part of the assets of the Restaurant; (b) you or any of your owners are convicted of a felony or other crime that substantially impairs the goodwill associated with the Marks;
(c) you or your owners made any material misrepresentation or omission in the application for the Franchise; (d) you make an unauthorized Transfer; (e) the interest of a deceased, divorced, or incapacitated person is not timely Transferred in accordance with the terms of this Franchise Agreement;
(f) you intentionally understate the Restaurant's revenues in any report or financial statement; (g) you commit any two (2) or more defaults under this Franchise Agreement, which includes two (2) or more failed inspection reports within any 12-month period, whether or not any default is cured including but not limited to confidentiality requirements and online marketing; (h) you fail to operate or keep the Franchised Business open for more than five (5) consecutive business days without our express written approval; (i) you default under any loan, lending agreement, mortgage, deed of trust, or lease with any party regarding the Restaurant's premises, the other party treats the relevant act or omission as a default, and you fail to timely cure the default; (j) you fail to begin operation of the Restaurant within twelve (12) months from the Effective Date of this Franchise Agreement, or your Manager fails to complete our training program to our satisfaction after giving you the opportunity to designate a successor Manager; (k) you sell, offer for sale, sell below our minimum pricing guidelines or give away at the Restaurant any items or services that have not been previously approved by us in writing, or that have been subsequently disapproved, and you fail to cease these sales or gifts within 24 hours after receipt of notice by us, subject to applicable law; (l) you have one (1) incident of cross-contamination of an allergenic food (m) you suffer termination of any other agreement with us or any of our affiliates; (n) you fail to comply with all applicable laws and ordinances relating to the Franchised Business, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; (o) you duplicate all or any portion of our System or make or cause a disclosure of the System; (p) you fail to follow any laws or regulations for products or prepare products which are not in accordance with the methods set forth by us; or (q) you fail or refuse to sell products designated by us.

16.02 Termination by Us with 10-Day Cure Period

If you fail or refuse to timely pay any amounts owed to us or any of our affiliates, maintain the Restaurant image regarding maintenance, cleanliness or sanitation, even if you did not fail an inspection report, or if you fail to obtain or maintain insurance as required by this Franchise Agreement, we may, at our option, terminate this Franchise Agreement by giving you ten (10) days' written notice of default. If you do not cure the default within this ten (10) day period, we may terminate this Franchise Agreement for good cause effective upon delivery of notice of termination to you.

16.03 Other Termination by Us

Except as provided in Sections 16.01 and 16.02, if you are in any other default under the terms of this Franchise Agreement, we, at our option, may terminate this Franchise Agreement by giving you thirty (30) days' written notice of default. If you do not cure any the default within this thirty (30) day period, we may terminate this Franchise Agreement for good cause effective upon delivery of notice of termination to you.

16.04 Additional Remedies

We may deny you the benefits of the System for any default under this Franchise Agreement and discontinue System benefits to you for the duration of the default, including, but not limited to, suspension of your access to any intranet we may develop and/or suspension of any listing or web page for your Restaurant on our website. We may institute proceedings to collect amounts due under this Franchise Agreement without first issuing a default or termination notice. Our consent or approval as may be required under this Franchise Agreement or the System Standards may be withheld while you are in default under this Franchise Agreement or may be conditioned on the cure of all of your defaults. Our termination of this Franchise Agreement pursuant to this Section 16 will be in addition to all other remedies, in law or in equity, available to us. In the event of a default by you, all of our costs and expenses arising from such default, including reasonable accountant fees, attorney fees and reasonable hourly charges of our administrative employees shall be paid to us by you within 5 days after cure or upon demand by us if such default is not cured.

16.05 Governing State Law

If a longer notice or cure period or a different good cause standard is prescribed by applicable law, this law will apply to any termination of this Franchise Agreement.

17. POST TERMINATION RIGHTS AND OBLIGATIONS

17.01 Cease Use of System and Marks

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will immediately cease to be a franchisee of ours and you will cease to operate the Restaurant under the System or Marks. You will also immediately cease to use, in any manner whatsoever, any methods, procedures, or techniques associated with the System and cease to use the Marks within 48 hours of the expiration or termination of this Franchise Agreement. If said Marks are not removed within 48 hours we will remove the marks at a cost that will be reimbursed by you. Unless otherwise approved in writing by us, you will return to us all copies of materials bearing the Marks. You will not, directly or indirectly, represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold yourself out as a present or former franchisee of ours.

17.02 Payment of Amounts Owed

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will immediately pay all sums you owe us and our affiliates. Upon termination for any default by you, the sums you owe will include actual and consequential damages, costs, and expenses we incurred as a result of your default.

17.03 Return Manual and Other Materials

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will immediately return to us the Manual, any training materials, other proprietary information, all trade secrets and confidential materials owned or licensed by us, and all copies thereof. If you fail to return the Manual to us within five (5) days after any expiration or termination of this Franchise Agreement, you must pay the manual replacement fee specified in Section 7.04.

17.04 Change of Identification

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will, upon our request, immediately remove or obliterate the Marks from all marketing materials,

supplies, signage, and other items bearing any Marks. You will follow the other steps we may require in the Manuals or otherwise in writing for changing the identification of your premises and/or operations. You will promptly paint over or remove the distinctive System trade dress, color schemes, signage, and other physical features. You will not use any reproduction, counterfeit copy, or colorable imitation of the Marks either in connection with any business or the promotion thereof that is likely to cause confusion, mistake, or deception or that is likely to dilute our exclusive rights in and to the Marks, and you will not utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition. You will make modifications or alterations to the Restaurant premises immediately upon expiration or termination of this Franchise Agreement as may be necessary to prevent any association between us or the System and any business later operated by you or others, and will make specific additional changes thereto as we may reasonably request for that purpose. If you fail or refuse to comply with the requirements of this Section 17.04, we will have the right to enter upon the Restaurant premises, without liability for trespass or any other tort, to make or cause to be made any changes as may be required at your expense, which expense you agree to pay us upon demand. We will exercise reasonable care in making these changes, but we will have no obligation or liability to restore your premises to its condition before making these changes. We will have the right to remove or obliterate the Mark-bearing portion of your supplies and equipment, and you will promptly pay or reimburse us for our costs of doing so.

17.05 Transfer of Telephone Number and Listings

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will immediately take whatever action we may require to transfer and assign to us or our designee all telephone numbers, white and yellow page telephone references, and related advertisements. You acknowledge that we have the sole rights to and interest in all telephone numbers and directory listings relating to any Mark, and you authorize us to direct the telephone company and all listing agencies to transfer all telephone numbers and directory listings to us or our designee. If you fail or refuse to do so, the telephone company and all listing agencies may accept our direction as evidence of our exclusive rights in the telephone numbers and directory listings and our authority to direct the transfer. You agree to sign any written authorizations or pre-approved authorizations in the form prescribed by us directing the telephone company and any listing agencies to transfer all telephone numbers and directory listing to us or our designee upon the occurrence of any termination or expiration. You appoint us as your attorney-in-fact for this purpose. You acknowledge that this power is coupled with an interest, and is therefore irrevocable. You will use your best efforts to assist us and our designee in an orderly transfer of these matters.

17.06 Cancel Assumed Name

You will take whatever action is necessary to cancel any assumed name or equivalent registration that contains the Marks, and you will furnish us with evidence satisfactory to us of compliance with this obligation within ten (10) days after termination or expiration of this Franchise Agreement.

17.07 Customer Lists

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you must immediately provide to us all customer lists and contact information in your possession or control.

17.08 Assignment of Lease

If we request, you will assign to us your lease for the Approved Location.

17.09 Non-Solicitation and Non-Competition

Neither You nor any of your owners will, directly or indirectly, yourself or themselves or through, on behalf of or in conjunction with any other person or entity controlling, controlled by, or under common control with You or your Owners, individually or jointly, for a period of two (2) years after the expiration or termination of this Franchise Agreement, or any Transfer by you:

(a) engage in or invest in, or induce others to, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend your name or any similar name to, or render services or advice to any Competitive Business (as defined below) that is located (a) at the Approved Location; (b) within a 25- mile radius of the Approved Location; or (c) within a 25-mile radius of any other Vitality Bowls Restaurant, including Restaurants owned or operated by us, our affiliates or our franchisees, either opened or under construction or development as of the date of termination or expiration, as applicable. For purposes of this Agreement, the term "Competitive Business" shall be interpreted to mean a business that offers or sells acai or other superfruit bowls, smoothies, paninis, salads, grain bowls, or other healthy superfood items that are the same as or substantially similar to items offered or sold at the Restaurant.

(b) engage in or invest in, or induce others to, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend your name or any similar name to, or render services or advice to any business that grants franchises or licenses for the right to operate Competitive Businesses anywhere in the United States; or

(c) solicit or attempt to solicit any customer of the Restaurant or any customer of ours or any of our affiliates or franchisees; or

(d) solicit, employ, or otherwise engage as an employee, independent contractor, or otherwise, any person who is or was an employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee or in any manner induce or attempt to induce any employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee, to terminate his or her employment and/or to engage in any activities that would benefit a Competitive Business or would be injurious or prejudicial to the goodwill associated with the Restaurant, Marks and/or the System; or

(e) interfere with the Restaurant's and/or our relationship with any person, including any person who at any time during the term of this Franchise Agreement was an employee, contractor, supplier, or customer; or

(f) perform any other act injurious or prejudicial to the goodwill associated with the Restaurant, Marks and/or the System.

The parties agree that if the two (2) year restrictive covenant set forth above is found to be too long to be enforceable by a court of competent jurisdiction, the restrictive covenant set forth above shall be for a period of one (1) year after the expiration or termination of this Franchise Agreement, or any Transfer by you. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. If all or any portion of a covenant in this Section 17.09 is held unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant imposing the maximum duty permitted by law that is subsumed within the terms of the covenant, as if the resulting covenant were separately stated in and made a part of this Section 17.09. You further agree that the existence of any claim you may have against us, whether or not arising from this Franchise Agreement, will not constitute a defense to the enforcement by us of the covenants in this Section 17.09. You understand and acknowledge that we will have the right, in our sole discretion, to unilaterally reduce the scope of any covenant set forth in this Section 17.09 or any portion hereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you will comply immediately with any covenant as so modified.

17.10 Other Post-Termination Obligations

Upon the expiration or termination of this Franchise Agreement by any means or for any reason, you will immediately and strictly comply with all other provisions of this Franchise Agreement pertaining to post-termination obligations. You must follow any procedures established by us to ensure the expiration or termination of this Franchise Agreement (or any successor term thereof) creates the least disruption possible to the System, including those procedures set forth in the Manual.

17.11 Right to Purchase

Under no circumstances will you sell proprietary information or fixtures inside or outside the Restaurant (e.g. signage, inventory, or supplies bearing the Marks) to a competing or similar business. Upon the expiration or termination of this Franchise Agreement by any means or for any reason, we will have the right, but not the obligation, to purchase some or all of the assets of the Franchised Business, including any furnishings, fixtures, equipment, signs, items, inventory, supplies and marketing materials, as well as all items bearing any Mark, at a purchase price equal to either your cost for such items, or fair market value, as we designate. If we elect to purchase any such assets at fair market value, the fair market value will be determined by our designated appraiser. Before exercising any rights under this Section 17.11, we will have the right to enter the Restaurant during reasonable hours to inspect the assets. If we elect to exercise our purchase rights, we will give you written notice of intent to do so within thirty (30) days after termination or expiration of this Franchise Agreement. In the event of such a purchase, there shall be no payment by us for any intangible assets of the Franchised Business. If we elect to exercise our purchase rights, closing will take place within forty –five (45) days after we provide notice of intent to purchase, to the extent reasonably possible. We will have the right to offset all amounts you owe to us or our affiliates against any payment due to you under this Section 17.11. This provision will also apply in the event of death, divorce or incapacity under Section 15.05.

17.12 Survival of Certain Provisions

Certain rights and obligations in Sections 8, 11, 12, 14, 17, 18, and 19 survive termination or expiration of this Franchise Agreement (regardless of whether termination is wrongful) or a Transfer by you. You will continue to comply with your obligations under these sections following termination or expiration of this Franchise Agreement or a Transfer until the obligations, by their nature or by the relevant express provisions, expire.

17.13 Liquidated Damages

Upon termination of this Franchise Agreement for any reason other than expiration of the contract term, you agree to pay us on demand, in addition to the amounts owed hereunder, liquidated damages. Liquidated damages are determined by multiplying the combined monthly average of Royalty Fees and Brand Building Fund Contributions (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with date you open the Franchised Business through the date of early termination, multiplied by the lesser of: (i) thirty-six (36), or (ii) the number of full months remaining in the term of this Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $30,000.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Franchiser Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Franchise Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Franchise Agreement other than the Royalty Fee section. You and each of your owners agree that the liquidated damages provision

does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Franchise Agreement other than the Royalty Fee section.

18. DISPUTE RESOLUTION

18.01 Informal Dispute Resolution

Before initiating any mediation or arbitration proceeding for any dispute arising under or relating to this Franchise Agreement, the party intending to initiate the proceeding will notify the other party in writing of the existence and nature of the dispute. Within fifteen (15) business days after the other party's receipt of the notice, one of our officers or managers will meet face to face with you or one of your owners, officers or Managers at our principal place of business, or other mutually agreeable location in California, to negotiate in good faith in an effort to resolve the dispute amicably. If this informal attempt to resolve the dispute is unsuccessful, either party may initiate formal dispute resolution as described in Section 18.02.

18.02 Formal Dispute Resolution

(a) Mediation. Prior to initiating any arbitration as forth below, all claims or disputes between the parties arising out of, or in any way relating to, this Franchise Agreement, or any of the parties' respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to mandatory mediation. Such mediation shall take place in Contra Costa County, California (or Franchisor's then-current headquarters) in accordance with the Mediation Rules of the Judicial Arbitration and Mediation Service ("JAMS") then in effect. At the option of either party, the mediator shall be selected from a list of retired federal or state judges supplied by JAMS or the American Arbitration Association ("AAA") and, if necessary, the mediator shall be chosen by the striking method. Franchisee may not commence any action against Franchisor with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by JAMS and the mediator's fees. Franchisor reserves the right to specifically enforce its right to mediation. Prior to mediation, with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies in detail, the precise nature and grounds of such claim or dispute. Franchisor shall not be required to first attempt to mediate a controversy, dispute or claim against Franchisee through mediation as set forth in this Section if such controversy, dispute or claim concerns an allegation by Franchisor that Franchisee has violated (or threatens to violate, or poses an imminent risk of violating): (a) any of Franchisor's federally protected intellectual property rights in the Marks, the System, or in any of Franchisor's trade secrets or confidential information; (b) any claims pertaining to or arising out of any warranty issued; or (c) any of the restrictive covenants contained in this Franchise Agreement.

(b) Arbitration. Any controversy or claim arising out of or related to this Agreement shall be settled by binding arbitration utilizing the service of JAMS/Endispute in Danville, California. The arbitration shall be presided over by one arbitrator who shall be a retired judge. The parties shall agree on a retired judge from the JAMS panel. If they are unable to agree, JAMS will provide a list of seven available judges and the arbitrator shall be selected by the striking and ranking procedure utilized by JAMS at said time. The decision of the arbitrator shall be binding. Judgment upon the award may be entered in any court having jurisdiction thereof. The fees and costs incurred with JAMS/Endispute shall be paid equally by the parties. In the event that one party fails to timely pay the fees and costs requested by JAMS ("Non-Paying Party"), the Non-Paying Party shall not be allowed to present evidence in the arbitration through testimony, written documentation or otherwise, and will not be allowed to cross-examine witnesses even if the adverse party has paid all of the JAMS fees and expenses for both themselves and the Non-Paying Party. In that instance, the arbitration shall go forward pursuant to the terms and conditions expressed herein.

(c) Claims Excluded. We will not be required to conduct informal dispute resolution, mediate or arbitrate a controversy, dispute or claim against you through arbitration as set forth in this Section 18

if such controversy, dispute or claim concerns an allegation by us that you have violated (or threaten to violate, or pose an imminent risk of violating): (a) any of our rights in the Marks, the System, or in any of our trade secrets, Intellectual Property, or Confidential Information; (b) any claims pertaining to your non-monetary post-termination obligations; or (c) any of the restrictive covenants contained in this Franchise Agreement. Nothing in this Franchise Agreement bars us or you from seeking preliminary injunctive or declaratory relief against a breach or threatened breach of this Franchise Agreement pending arbitration of the dispute, if applicable.

(d) Injunctive Relief. You acknowledge that a breach of this Franchise Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Franchise Agreement, we are entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) your obligations upon termination or expiration of this Franchise Agreement; (v) Transfers; (vi) Confidential Information; and (vii) any act or omission by you or your employees that: (a) constitutes a violation of any legal requirement; (b) is dishonest or misleading to customers of the Franchised Business; (c) constitutes a danger to the employees or customers of the Franchised Business or to the public; or (d) may impair the goodwill associated with the Marks or the System. An action seeking provisional remedies will be brought in any state or federal court within the jurisdiction in which we then have our principal place of business; provided, however, that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Restaurant is or was located or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 18.02, and the parties waive any objections that they would otherwise have in this regard. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay us an amount equal to the aggregate of its costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, we incurred in obtaining such relief.

(e) Confidentiality. The entire arbitration proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views, and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives, and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

(F) WAIVER OF PUNITIVE DAMAGES. WE AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

(g) JURY TRIAL WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OR OUR AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM US OR OUR AFFILIATES.

(h) WAIVER OF CLASS OR GROUP ACTION. ANY DISAGREEMENT BETWEEN YOU AND US (AND/OR OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO

ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

(i) LIMITATION OF ACTION. ANY AND ALL CLAIMS YOU MAY HAVE AGAINST US OR ANY OF OUR AFFILIATES THAT ARE ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING, AS REQUIRED UNDER THIS AGREEMENT, IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO SUCH CLAIMS, AND THAT ANY ACTION NOT SO BROUGHT SHALL BE BARRED, WHETHER AS A CLAIM, COUNTERCLAIM, DEFENSE OR SETOFF.

18.03 Jurisdiction

The parties hereto agree that it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, except for those claims set forth in Section 18.02 (d) the parties consent to the exclusive jurisdiction of the United States District Court for the Northern District of California or the federal or state court for the jurisdiction in which we then have our principal place of business for any litigation relating to this Franchise Agreement or the operation of the Franchised Business hereunder; provided that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Restaurant is or was located or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any other party with respect thereto.

19. GENERAL PROVISIONS

19.01 Partial Invalidity

If all or any part of a provision of this Franchise Agreement violates applicable law, the affected provision or part will not be given effect. If all or any part of a provision of this Franchise Agreement is declared invalid or unenforceable, for any reason, or is not given effect by reason of the prior sentence, the remainder of the Franchise Agreement will not be affected, and the parties will modify the invalid or unenforceable provision to the extent required to be valid and enforceable. However, if in our judgment this result substantially impairs the value of this Franchise Agreement to us, then we may at any time terminate this Franchise Agreement by written notice to you, without penalty or compensation owed by either party.

19.02 Waivers, Modifications, and Approvals

Whenever this Franchise Agreement requires our prior approval or consent, you will make a timely written request to us therefor, and we may withhold, condition, or withdraw our consent in our sole discretion. No failure of ours to exercise any power reserved to us by this Franchise Agreement and no custom or practice of the parties at variance with the terms hereof will constitute a waiver of our right to demand exact compliance with any of the terms herein. A waiver or approval by us of any particular default by you or any other franchisee or acceptance by us of any payments due hereunder will not be considered a waiver or approval by us of any preceding or subsequent breach by you of any term, covenant, or condition of this Franchise Agreement. We will not be deemed to have waived any of our rights under this Franchise Agreement, nor will you be deemed to have been excused from performance of any of your obligations pursuant to this Franchise Agreement, unless the waiver or excuse is written and signed by an authorized representative of us and you. To be effective, any modifications, waivers, approvals, and

consents of, or under, this Franchise Agreement by us must be designated as such, in writing, and signed by our authorized representative. Notwithstanding anything to the contrary herein, you acknowledge and agree that Sections 2.02(c) and 17.09 of this Franchise Agreement permit us to unilaterally modify this Franchise Agreement.

19.03 Notices

Any notice, reports, and other information and documents permitted or required to be delivered under this Franchise Agreement will be in writing, and will be delivered to us at 156 Diablo Road, Suite 120, Danville, CA 94526, or to you at the address of the Approved Location or the address listed on the signature page hereof. Either party may modify its address periodically by written notice to the other party. Notices will be effective if in writing and delivered to the appropriate party by: delivery service, with proof of delivery; or by first class, prepaid certified or registered mail, return receipt requested, or by electronic mail. Notices will be deemed given on the date delivered or on the date of the first attempted delivery, if delivery is refused or unclaimed.

19.04 Governing Law

All matters relating to arbitration will be governed by the federal arbitration act (9 U.S.C. §§ 1 ET SEQ.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Franchise Agreement, the Franchise, and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the state in which the Franchised Business is located, without regard to its conflict of laws rules.

19.05 Counterparts

This Franchise Agreement may be signed in any number of counterparts, each of which when signed and delivered will be deemed an original, but all counterparts together will constitute one and the same instrument.

19.06 Construction

No provision of this Franchise Agreement will be interpreted in favor of or against either party merely because of that party's role in the preparation of this Franchise Agreement, or because of the nature or type of this Franchise Agreement. The headings and captions contained herein are for the purpose of convenience and reference only, and are not to be construed as part of this Franchise Agreement. All terms and words used herein will be construed to include the number and gender as the context of this Franchise Agreement may require. The parties agree that each section of this Franchise Agreement will be construed independently of any other section or provision of this Franchise Agreement. All references in this Franchise Agreement to Sections or Attachments refer to the relevant sections and attachments, respectively, of this Franchise Agreement. This Franchise Agreement, together with the exhibits and any addenda attached, is the entire agreement, and supersedes all prior representations, agreements and understandings (oral or written) of the parties; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Franchise Disclosure Document that was furnished to you by us. Except for the Indemnities, or as otherwise expressly provided in this Franchise Agreement, there are no third party beneficiaries hereunder. No agreement between us and any third party else is for your benefit. Except as expressly provided in this Franchise Agreement, this Franchise Agreement is binding on and will inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. Time is of the essence.

19.07 Force Majeure

Notwithstanding anything contained in this Franchise Agreement to the contrary, neither party will be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if this delay or failure is caused by strikes or other labor disturbance; acts of God, or the public

enemy, riots or other civil disturbances, fire, or flood; interference by civil or military authorities; compliance with governmental laws, rules, or regulations that were not in effect and could not be reasonably anticipated as of the date of this Franchise Agreement; delays in transportation, failure of delivery by suppliers, or inability to secure necessary governmental priorities for materials; or any other fault beyond its control or without its fault or negligence. In this case, the time required for performance of the relevant obligation will be the duration of the unavoidable delay. "Force majeure" shall specifically exclude your lack of available financing.

19.08 State Addendum

The laws of certain states may supersede some of the provisions of this Franchise Agreement, and certain states require us to supplement or modify the provisions of this Franchise Agreement. If applicable, these supplements and modifications are contained in the addendum to the Franchise Disclosure Document as Exhibit G. When you sign this Franchise Agreement, you will also properly sign the addenda, if applicable. The multi-state addendum will be construed and applied as narrowly as possible, consistent with applicable state law, in order to avoid potential conflicts between state laws.

19.09 Operation in the Event of Absence or Disability; Step-In Rights

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

(b) If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business that would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Franchise Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern.

(c) We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorney fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination.

19.10 Photo Release

You grant to us a release to use any of your pictures of the Franchised Business ("Photos"), including but not limited to digital and printed publications. You will receive no compensation for our use of the Photos. You authorize us to edit, alter, copy, exhibit, publish or distribute the Photos for any lawful

purpose. In addition, you waive any right to approve the finished product, including written or electronic copies, wherein the Photos appear. You waive any right to royalties or any compensation related to our use of the Photos. You agree to hold harmless and forever release and discharge us from all claims, demands, or causes of action that you, your heirs, representatives, executors, administrators, employees, agents, or any other persons shall have related to the Photos.

20. SECURITY INTEREST

20.01 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Franchised Business, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchised Business. All items in which a security interest is granted are referred to as the "Collateral."

20.02 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

(a) All amounts due under this Franchise Agreement or otherwise by you;

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

(c) All expenses, including reasonable attorney fees that we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Franchise Agreement; and

(d) All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and Indebtedness of you to us or third parties under this Franchise Agreement, however created, and specifically including all or part of any renewal or extension of this Franchise Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchised Business, including, but not limited to, a real property mortgage and equipment leases.

20.03 Additional Documents

You will from time to time, as required by us, join with us in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

20.04 Possession of Collateral

Upon default and termination of your rights under this Franchise Agreement, we shall have the immediate right to possession and use of the Collateral.

20.05 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and

you shall have the rights and duties of a debtor under, the Uniform Commercial Code of the state in which your Franchised Business is located (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

20.06 Special Filing as Financing Statement

This Franchise Agreement shall be deemed a Security Agreement and a Financing Statement. This Franchise Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

21. ACKNOWLEDGMENTS

21.01. Accurate Information

You represent that all information set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects. You acknowledge that we are relying upon the truthfulness, completeness, and accuracy of this information in our decision to enter into this Franchise Agreement with you.

Your initials: _____

21.02 Proper Disclosure

You acknowledge that we or our agent have provided you with our current Franchise Disclosure Document not later than the earlier of the first personal meeting held to discuss the sale of the Franchise, or 14 calendar days before you sign this Franchise Agreement, or 14 calendar days before you make any payment of any consideration in connection with this transaction.

Your initials: _____

21.03 Consultation and Understanding

You represent and acknowledge that: (a) you have read and understand this Franchise Agreement and our Franchise Disclosure Document; (b) we have fully and adequately explained the provisions of each to your satisfaction; (c) we have advised you to consult with your own attorneys, accountants, or other advisers about the potential benefits and risks of entering into this Franchise Agreement; (d) you have had ample opportunity to consult with advisors of your own choosing; and (e) our attorneys have not advised or represented you with respect to this Franchise Agreement or the relationship created hereby.

Your initials: _____

21.04 Independent Investigation of Risks

You represent that you have conducted an independent investigation of the business contemplated by this Franchise Agreement, and you acknowledge that, like any other business, an investment in the Franchised Business involves unavoidable business risks. You acknowledge that the success of the Franchised Business is primarily dependent upon the business abilities and efforts of you and your Manager and employees.

Your initials: _____

21.05 No Warranty or Guarantee

You acknowledge that you have not received or relied upon any warranty or guarantee, express or implied, as to the potential revenues, income, profits, volume, or success of the business venture contemplated by this Franchise Agreement. You acknowledge that you have read this Franchise Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representation by us or any of our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or contrary to the terms hereof. We expressly disclaim the making of any warranty, guarantee, or representations of this type.

Your initials: _____

21.06 Reasonable Covenants

The covenants not to compete in this Franchise Agreement are fair and reasonable, and will not impose any undue hardship on you or your owners, since you and your owners have other considerable skills, experience, and education that afford you and your owners the opportunity to derive income from other endeavors.

Your initials: _____

21.07 No Other Agreements

You acknowledge that this Franchise Agreement, the documents referred to herein, the attachments hereto, and other agreements signed concurrently with this Franchise Agreement, if any, constitute the entire, full and complete agreement and understanding between us and you and supersedes any and all prior agreements, no other representations, promises, warranties or agreements have induced you to execute this Agreement. Both parties acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Franchise Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter, and any oral or written representations, including those that are inconsistent with the terms of this Franchise Agreement or our Franchise Disclosure Document.

Your initials: _____

21.08 No Business Opportunity Representations

You acknowledge that neither we nor any of our officers, directors, shareholders, employees, or agents have made any representation that: (a) we may purchase any or all products made, produced, fabricated, or modified by you; (b) we guarantee that you will derive income from the Franchised Business that will exceed the initial franchise fee; (c) we guarantee that we will refund all or part of the initial franchise fee if you are not satisfied with the Franchise; or (d) we will provide a sales program or marketing program that will enable you to derive income from the Franchised Business that exceeds the initial franchise fee.

Your initials: _____

21.09 Disclaimer.

If Franchisee and/or the Franchised Businesses is located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin, then: No statement, questionnaire, or acknowledgment signed or agreed to by a

franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

22 Execution.

This Franchise Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Franchise Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Franchise Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Franchise Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Franchise Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

IN WITNESS WHEREOF, the parties hereto have duly signed this Franchise Agreement as of the Effective Date.

FRANCHISEE:

Entity name (if any): _____

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

Franchisee's Address for Notices:

_____
_____
_____

Date Signed: _____

FRANCHISOR:

VB PRIME INC

By: _____
Name: ROY GILAD

Title: CEO

Effective Date: _____

ATTACHMENT A TO THE FRANCHISE AGREEMENT

APPROVED LOCATION AND PROTECTED AREA

1. If a particular site for the Restaurant has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered on Attachment A-1 as the Approved Location and the Approved Location shall have the Protected Area listed in Attachment A-1. If a particular site has not been selected and approved at the time of the signing of this Franchise Agreement, Section 3 of this Attachment will describe the location in general terms below in the "General Description." The General Description does not confer any territory rights to you and is only used for a reference. We may sell other franchised locations in the area in the General Description.

2. After we have approved a location for your Restaurant, we will designate your Protected Area and you and we shall enter into Attachment A-1 pursuant to which the Approved Location and Protected Area will be formally incorporated into this Agreement. As the Protected Area is dependent on the location of the Restaurant, we will present you with the Protected Area upon the identification of the site for the Restaurant. If you do not wish to accept the Protected Area, you may choose another site location and we will present you with another Protected Area based on the site selected.

3. General Description of Area For Approved Location: (If the Approved Location is not specified above as of the signing of the Franchise Agreement)

FRANCHISEE:
Entity name (if any):
_____

By:_____
Print Name:_____
Title:_____

FRANCHISOR:

VB PRIME INC

By:_____
Print Name: ROY GILAD
Title: CEO

ATTACHMENT A-1 TO THE FRANCHISE AGREEMENT

You have received approval for site location for the Restaurant that satisfies the demographics and location requirements minimally necessary for a Restaurant and that meets our minimum current standards and specifications for the build-out, interior design, layout, floor plan, signs, designs, color, and décor of a Restaurant. You and we have mutually agreed upon a Protected Area based on the site for the Restaurant which is indicated below. You acknowledge that the Protected Area is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Approved Location for Restaurant:

The Approved Location for your Restaurant as provided in Section 2.02(c) of the Franchise Agreement is:

_____

Protected Area:

The Protected Area as provided in Section 2.03 of the Franchise Agreement is:

_____

_____

FRANCHISEE:

Entity name (if any):

_____

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

FRANCHISOR:

VB PRIME INC

By:_____
Print Name: ROY GILAD
Title: CEO
Date:_____

ATTACHMENT B TO THE FRANCHISE AGREEMENT

1. **Initial Franchise Fee**. The initial franchise fee is: _____.

2. **Single Restaurant Franchise.** If Franchisee has purchased only one Restaurant franchise, Franchisee will be required to open the Restaurant franchise in accordance with the provisions of the Franchise Agreement.

3. **Multiple Restaurant Franchises**. If Franchisee has purchased multiple Restaurant franchises simultaneously, Franchisee acknowledges that:

    1. You have purchased the Franchise to which the Franchise Agreement corresponds as one of a group of _____ (_____) Vitality Bowls Businesses;

    2. The Vitality Bowls Business to which this Franchise Agreement corresponds constitutes franchise number_____ (_____) of the group of Vitality Bowls Businesses mentioned above.

    3. You must open each Vitality Bowls Business mentioned above within a certain time period specified by us, the length of which depends upon the number of Vitality Bowls Businesses you have purchased and the number of these Vitality Bowls Businesses that you have developed and opened for business before developing and opening the Vitality Bowls Businesses to which the Franchise Agreement corresponds. You shall open your first Vitality Bowls Business within twelve (12) months after signing its corresponding Franchise Agreement. If you purchase multiple Vitality Bowls Businesses, you shall open the second Vitality Bowls Business within nine (9) months of opening the first Vitality Bowls Business, and the third and each additional Vitality Bowls Business within nine (9) months of opening the previous Vitality Bowls Businesses to be opened.

FRANCHISEE:	**FRANCHISOR:**
Entity name (if any):	VB PRIME INC
_____	
By:_____	By:_____
Print Name:_____	Print Name: ROY GILAD
Title:_____	Title: CEO
Date:_____	Date:_____

ATTACHMENT C TO THE FRANCHISE AGREEMENT

Franchisee: _____

Form of Ownership
(Check One)

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a Limited Liability Company, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

Formed/Incorporated in _____ on _____, 20__.

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

Identification of Managing Owner. Your Managing Owner as of the Effective Date is _____ _____. You may not change the Managing Owner without prior written approval.

Identification of Designated Manager. Your Designated Manager, if applicable, as of the Effective Date is_____. You may not change the Designated Manager without prior written approval.

FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

ATTACHMENT D TO THE FRANCHISE AGREEMENT

OWNER'S AGREEMENT

As a condition to the granting by VB PRIME INC ("we" or "us"), of a Franchise Agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of_____ ("Franchise Agreement"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Owners' Role. Owners are the beneficial owners of all of the equity interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

3. Covenant Not To Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers. Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge,

merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

VB PRIME INC
156 Diablo Road, Suite 120
Danville, CA 94526

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of the Franchise Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters

covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

8.10 Execution. This Owners Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Owners Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one

agreement. A signed copy of this Owners Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Owners Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Owners Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

_____	_____
[Insert Name and Address of Owner]	[Insert Name and Address of Spouse]
_____	_____
[Insert Name and Address of Owner]	[Insert Name and Address of Spouse]
_____	_____
[Insert Name and Address of Owner]	[Insert Name and Address of Spouse]
_____	_____
[Insert Name and Address of Owner]	[Insert Name and Address of Spouse]

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

VITALITY BOWLS

EXHIBIT D

AREA DEVELOPER AGREEMENT

Area Developer: _____

Date: _____

Territory: _____

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ATTACHMENTS:

Attachment A:	Description of Development Territory
Attachment B:	Development Schedule
Attachment C:	Statement of Shareholders/Members/Partners

VB PRIME INC

AREA DEVELOPER AGREEMENT

THIS AREA DEVELOPER AGREEMENT ("Agreement") is made and entered into this__ day of _____ ("Effective Date") by and between VB PRIME INC, a Delaware corporation ("Vitality Bowls"), with a business address at 156 Diablo Road, Suite 120, Danville, CA 94526 and _____, with its business address at _____ ("Area Developer" or "You").

WITNESSETH:

WHEREAS, Vitality Bowls holds the exclusive franchise rights relating to the establishment, development and operation of a superfood cafe that makes Acai bowls and other healthy food and beverage items and other items ("Vitality Bowls Franchise");

WHEREAS, in addition to this Area Developer Agreement, Vitality Bowls and Area Developer have entered into a Franchise Agreement (the "Initial Franchise Agreement") for the right to establish and operate a single Vitality Bowls franchised business (the "Initial Business"); and

WHEREAS, Area Developer desires to purchase an option to establish and operate Vitality Bowls Franchises within the territory described in Attachment A ("Development Territory"), under the development schedule described in Attachment B ("Development Schedule") and pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. GRANT

1.1 Vitality Bowls hereby grants to Area Developer the right to establish and operate the number of Vitality Bowls Franchises indicated in Section 1 of Attachment B within the Development Territory described in Attachment A. Each Vitality Bowls Franchise shall be operated according to the terms of the individual franchise agreement ("Franchise Agreement").

If the Area Developer is developing Vitality Bowls Franchises, and complies with the terms of this Agreement, the Development Schedule, and the individual Franchise Agreement for each Vitality Bowls Franchise, then, subject to Vitality Bowls' reserved rights as set forth below, Vitality Bowls will not franchise or license others, nor will it itself directly or indirectly develop, own, lease, construct or operate in any manner, any Vitality Bowls Franchises in the Development Territory during the term of this Agreement. Vitality Bowls (on behalf of itself and its affiliates) reserves all other rights, including the right to otherwise act in the manner permitted in any Franchise Agreement, including, without limitation, the right to directly or through an affiliate:

(a) own, acquire, establish and/or operate, and license others to establish and operate businesses using the Marks and System outside the Development Territory (even if there may be some impact to your business within the Development Territory);

(b) own, acquire, establish and/or operate, and license others to establish and operate, businesses under other proprietary marks or other systems, at any location within or outside the Development Territory (even if these businesses are in competition with you);

(c) sell or distribute, at retail, wholesale or otherwise, directly or indirectly, or license others to sell or distribute, any proprietary items (such as our Acai Bowls) which bear any proprietary marks, including the Marks, within or outside the Development Territory;

(d) own, acquire, establish and/or operate, and license others to establish and operate, businesses using any proprietary marks or systems (including the Marks and System) at any non- traditional location (airport, train station, other transportation facility, arena, ballpark, stadium, racetrack, other sports facility, theater, auditorium, concert hall, theme park, amusement park, cruise ship, casino, or other entertainment facility) (each a "Special Venue"), or within any outlet mall or other regional mall, within or outside the Development Territory; and

(e) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing systems with units operating in your Development Territory. If we enter into any such transaction with any system that has competitive businesses in operation within your Development Territory, we and/or our licensees, have the right to operate such businesses as Vitality Bowls restaurants without affording any rights to you or providing any compensation to you.

1.2 Upon the expiration or termination of this Agreement; (a) Area Developer shall have no further right to construct, equip, own, open or operate additional Vitality Bowls Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between Area Developer (or an affiliate of Area Developer) and Vitality Bowls which is then in full force and effect, and (b) Vitality Bowls or its affiliates may thereafter itself construct, equip, open, own or operate, and license others to (or grant development rights to) construct, equip, open, own or operate Vitality Bowls Franchises or Vitality Bowls restaurants at any location(s) (within or outside of the Development Territory), without any restriction, subject only to the territorial rights granted, if any, for any then- existing Vitality Bowls Franchise pursuant to a validly subsisting franchise agreement executed for such Vitality Bowls Franchise. The rights granted under this Section 1.2 shall automatically terminate on Area Developer's failure to adhere to the Development Schedule.

1.3 This Agreement is not a franchise agreement and Area Developer shall have no right to use in any manner the Vitality Bowls trademarks or area developer system by virtue hereof. Each Vitality Bowls Franchise will be governed by the individual Franchise Agreement signed by Vitality Bowls and Area Developer, or its affiliate, for each Vitality Bowls Franchise.

1.4 Area Developer may form newly established, separate affiliate entities that share the identical ownership structure as Area Developer, to enter into lease agreements and franchise agreements for each Vitality Bowls franchise Area Developer is required to open under this Agreement (each a "Developer Affiliate"). Area Developer, each of Area Developer's owners and each owner of each Developer Affiliate, as applicable, shall enter into a personal guaranty agreement in the form attached to the applicable Franchise Agreement, which form may be materially different from the form attached to the franchise disclosure document you received before signing this Agreement. If Area Developer is a legal entity and Area Developer requests Vitality Bowls' consent to add a new owner to a Developer Affiliate, Area Developer shall pay to Vitality Bowls a $750 transfer request fee at the time of Area Developer's request. In addition, Area Developer shall ensure that a person having at least a ten percent (10%) beneficial equity interest in a Developer Affiliate ("Designated Business Manager") shall at all times devote his or her full time and attention to managing, supervising, and developing each Vitality Bowls Franchise and that the person is at all times identified to Vitality Bowls. Area Developer shall identify all equity owners of Area Developer by completing the Statement of Shareholders/Members/Partners attached to this Agreement as Attachment C. If Area Developer is a legal entity, Area Developer shall not transfer any ownership interest in the Area Developer entity without first obtaining the prior written consent of

Vitality Bowls. If Vitality Bowls consents to any such transfer, Area Developer shall provide Vitality Bowls with an updated form of Attachment C within ten (10) business days of any change in the equity ownership of Area Developer. The failure of Area Developer to obtain Vitality Bowls' prior written consent, or to provide Vitality Bowls with an updated Attachment C within the time frame specified in this Section 1.4, shall constitute a material default of this Agreement.

2. TERM

Unless sooner terminated pursuant to the provisions of Section 7, the term of this Agreement shall expire upon the earlier of (a) the Termination Date listed on Section 2 of Attachment B, or (b) completion of the obligations of the Development Schedule.

3. AREA DEVELOPER FEE

Area Developer must pay an "Area Developer Fee" which is equal to the discounted initial franchise fee for each Vitality Bowls Franchise to be developed upon execution of this Agreement. The Area Developer Fee is set forth in Attachment A. No initial franchise fee will be due upon the execution of each single-unit Franchise Agreement to be developed under this Agreement. All amounts collected shall be deemed fully earned immediately upon receipt and shall be non-refundable, regardless of whether Area Developer opens any of the Vitality Bowls Franchises it is obligated to open in the Development Territory.

4. DEVELOPMENT SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

4.1 Area Developer shall exercise the development rights granted under this Agreement only by entering into a separate Franchise Agreement with Vitality Bowls for each Vitality Bowls Franchise for which a development right is granted. The Franchise Agreement to be executed for the first Vitality Bowls Franchise to be developed by Area Developer under this Agreement shall be executed and delivered, concurrently with the execution and delivery of this Agreement and the Area Developer Agreement. All subsequent Vitality Bowls Franchises developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Vitality Bowls for a Vitality Bowls Franchise. Area Developer acknowledges that the then-current form of Franchise Agreement may differ from the Initial Franchise Agreement, except that each shall have the same royalty rate as the Initial Franchise Agreement.

4.2 Development Schedule.

(a) Acknowledging that time is of the essence, Area Developer agrees to exercise its development rights according to Section 4.1 and according to the Development Schedule set forth on Attachment B, which schedule designates the number of Franchise Agreements that must be executed upon the expiration of each of the designated development periods ("Development Periods") for the operation of Vitality Bowls Franchises in the Development Territory.

(b) During any Development Period, Area Developer may, with Vitality Bowls' prior written consent, develop more than the number of Vitality Bowls Franchises that Area Developer is required to develop during that Development Period by executing multiple Franchise Agreements during a single Development Period. Any Franchise Agreements executed during a Development Period in excess of the minimum number to be executed upon expiration of that Development Period shall be applied to satisfy Area Developer's development obligation

during the next succeeding Development Period. Area Developer shall not execute more than the cumulative total number of Franchise Agreements that Area Developer is obligated to execute under this Agreement, as set forth above in the Development Schedule.

(c) Area Developer shall open each Vitality Bowls Franchise in accordance with the terms of the Franchise Agreement and shall execute the Franchise Agreements in accordance with the Development Schedule set forth on Attachment B, unless, subject to Vitality Bowls' approval, Area Developer obtains an extension of the Development Period from Vitality Bowls to sign a particular Franchise Agreement. Each extension shall be for an additional 90-day period commencing upon the expiration of the applicable Development Period, including any previous extensions thereof ("Extension Date"). No more than two (2) extensions of any Development Period will be permitted. No extension of any Development Period shall affect the duration of any other Development Period or any of Area Developer's other development obligations. If an extension is requested in the final Development Period, the term of this Agreement shall be extended to the Extension Date, and thereafter Area Developer shall have no further rights under this Agreement except as provided in Section 2. Each extension may be conditioned upon payment of an extension fee ("Extension Fee") of Two Thousand Dollars ($2,000) per extension.

(d) Failure by Area Developer to adhere to the Development Schedule (including any extensions approved by Vitality Bowls) shall result in a loss of the territorial rights granted in Section 1.2 of this Agreement Failure by Area Developer to adhere to the Development Schedule on two (2) or more occasions shall constitute a material event of default under this Agreement.

(e) If Vitality Bowls is not legally able to deliver a Franchise Disclosure Document to Area Developer by reason of any lapse or expiration of its franchise registration, or because Vitality Bowls is in the process of amending any such registration, or for any reason beyond Vitality Bowls' reasonable control, Vitality Bowls may delay acceptance of the site for Area Developer's proposed Vitality Bowls Franchise, or delivery of a franchise agreement, until such time as Vitality Bowls is legally able to deliver a Franchise Disclosure Document.

5. LOCATION OF VITALITY BOWLS FRANCHISES

The location of each Vitality Bowls Franchise shall be selected by the Area Developer in accordance with the terms set forth in each Franchise Agreement signed by Area Developer, within the Development Territory.

6. FRANCHISE AGREEMENT

Area Developer shall not commence construction on, or open any Vitality Bowls Franchise until, among other things; the individual Franchise Agreement for that Vitality Bowls Franchise has been signed by both the Area Developer and Vitality Bowls.

7. DEFAULT AND TERMINATION

7.1 Area Developer will be in default of this Agreement if it (or its affiliate(s)): (a) fails to comply with the Development Schedule on two (2) or more occasions; (b) fails to perform any of its obligations under this Agreement or any individual Franchise Agreement; or (c) fails to comply with the provisions on transfer contained herein. Upon default, Vitality Bowls shall have the right, at its option, and in its sole discretion, to do any or all of the following:

(a) terminate this Agreement;

(b) terminate the territorial exclusivity granted to Area Developer;

(c) reduce the size of the Area Developer's Development Territory; or

(d) permit Area Developer to extend the Development Schedule.

7.2 This Agreement shall automatically terminate upon the death or permanent disability of Area Developer or any controlling principal of Area Developer ("Controlling Principal") who owns all or a part of the Controlling Interest ("Controlling Interest") in Area Developer. "Permanent Disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. Permanent Disability shall be determined by a licensed practicing physician selected by Vitality Bowls, upon examination of the person. If the person refuses to submit to an examination, such person shall automatically be deemed Permanently Disabled as of the date of such refusal for the purpose of this Section 7.2. The costs of any examination required by this Section 7.2 shall be paid by Vitality Bowls. Upon the death or claim of Permanent Disability of franchisee or any Controlling Principal who owns all or a part of the Controlling Interest in franchisee, franchisee or a representative of franchisee must promptly notify Vitality Bowls of such death or claim of Permanent Disability within 15 days of its occurrence.

7.3 In addition, if any individual Franchise Agreement issued to Area Developer or an approved affiliate of Area Developer, whether or not issued pursuant to this Agreement, is terminated for any reason, Vitality Bowls shall have the right to terminate this Agreement on immediate written notice to Area Developer. Upon termination or expiration of the term of this Agreement, this Agreement shall be of no further effect, and Vitality Bowls shall have the right to open, or license others to open, Vitality Bowls Franchises within the Development Territory. For purposes of this Section 7.3, any Franchise Agreement issued by Vitality Bowls to Area Developer or its approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which Area Developer or any stockholder, partner or joint venturer of Area Developer, has any direct or indirect ownership or participation interest, shall be deemed a Franchise Agreement issued to Area Developer.

7.4 In the event of a default by Area Developer, all Vitality Bowls' costs and expenses arising from such default, including reasonable accountant fees, attorney fees and reasonable hourly charges of administrative employees shall be paid to Vitality Bowls by Area Developer within 5 days after cure or upon demand by Vitality Bowls if such default is not cured.

8. ASSIGNMENT

8.1 Vitality Bowls shall have the absolute right to transfer or assign all or any part of its rights or obligations hereunder to any person or legal entity which assumes its obligation under this Agreement and Vitality Bowls shall thereby be released from any and all further liability to Area Developer.

8.2 Area Developer may not assign this Agreement or any rights to the Development Territory. The provisions of this Section 8.2 shall not restrict Area Developer from transferring an open and operating Vitality Bowls Franchise in compliance with the assignment provisions contained in such Vitality Bowls Franchise's Franchise Agreement.

9. FORCE MAJEURE

In the event that Area Developer is unable to comply with the Development Schedule due to strike, riot, civil disorder, war, failure to supply, fire, natural catastrophe or other similar events beyond its control, and upon notice to Vitality Bowls, the Development Schedule and this Agreement shall be extended for a corresponding period, not to exceed 90 days.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties hereto. However, nothing in this Agreement or any related agreement is intended to disclaim the Vitality Bowls' representations made in the Franchise Disclosure Document. Where this Agreement and any Franchise Agreement between the parties conflict with respect to the payment terms of initial franchise fees or equity interests held by the Area Developer or operating partners, the terms of this Agreement shall govern. Under no circumstances do the parties intend that this Agreement be interpreted in a way as to grant Area Developer any rights to grant sub-franchises in the Development Territory.

11. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

11.1 It is acknowledged and agreed that Area Developer and Vitality Bowls are independent contractors and nothing contained herein shall be construed as constituting Area Developer as the agent, partner or legal representative of Vitality Bowls for any purpose whatsoever. Area Developer shall enter into contracts for the development of the Development Territory contemplated by this Agreement at its sole risk and expense and shall be solely responsible for the direction, control and management of its agents and employees. Area Developer acknowledges that it does not have authority to incur any obligations, responsibilities or liabilities on behalf of Vitality Bowls, or to bind Vitality Bowls by any representations or warranties, and agrees not to hold itself out as having this authority.

11.2 Area Developer agrees to protect, defend, indemnify and hold Vitality Bowls harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with Area Developer's carrying out its obligations hereunder. Area Developer agrees to reimburse Vitality Bowls within thirty (30) days of submitting invoice to Area Developer for all costs of defending the matter, including all attorney fees incurred by Vitality Bowls whether or not Area Developer's insurer assumes defense of Vitality Bowls promptly when requested. Vitality Bowls has the right to approve any resolution or course of action, including but not limited to the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on Vitality Bowls or its trademarks or area developer system, or could serve as a precedent for other matters.

12. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives.

13. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of the Development Territory, which laws shall govern in the event of any conflict of laws, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.). The parties expressly consent to personal jurisdiction in the State of California and agree that, except as set forth in Section 15, the state and federal court(s) located in Contra Costa County, California will have exclusive jurisdiction for the purposes of carrying out this provision.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, you and we agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees and area developers generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular area developer or franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

14. NOTICE

Whenever this Agreement requires notice, it shall be in writing and shall be sent by registered or certified mail, return receipt requested, to the other party at the addresses set forth below, unless written notice is given of a change of address, or by electronic mail.

All notices to Area Developer shall be conclusively deemed to have been received by Area Developer upon the delivery or attempted delivery of this notice to Area Developer's address listed herein, or the changed address.

Notices to Vitality Bowls: VB PRIME INC
156 Diablo Road, Suite 120
Danville, California 94526

Notice to Area Developer: _____
_____
_____
_____

15. MEDIATION AND ARBITRATION

15.1 **Informal Dispute Resolution**

Before initiating any mediation or arbitration proceeding for any dispute arising under or relating to this Agreement, the party intending to initiate the proceeding will notify the other party in writing of the existence and nature of the dispute. Within 15 business days after the other party's receipt of the notice, one of our officers or managers will meet face to face with you or one of your owners, officers or Managers at our principal place of business, or other mutually agreeable location in California, to negotiate in good faith in an effort to resolve the dispute amicably. If this informal attempt to resolve the dispute is unsuccessful, either party may initiate formal dispute resolution as described in Section 15.02.

15.2 **Mediation**

Prior to initiating any arbitration as forth below, all claims or disputes between the parties arising out of, or in any way relating to, this Agreement, or any of the parties' respective rights and obligations arising out of this Agreement, shall be submitted first to mandatory mediation prior to a hearing in binding arbitration. Such mediation shall take place in Contra Costa County, California (or Vitality Bowl's then- current headquarters) in accordance with the Mediation Rules of the Judicial Arbitration and Mediation Service ("JAMS") then in effect. At the option of either party, the mediator shall be selected from a list of retired federal or state judges supplied by JAMS, if available, and the mediator shall be chosen by striking method. Area Developer may not commence any action against Vitality Bowls with respect to any such claim or dispute in any court unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Vitality Bowls. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by JAMS and the mediator's fees. Vitality Bowls reserves the right to specifically enforce its right to mediation. Prior to mediation, and before commencing any legal action against Vitality Bowls with respect to any such claim or dispute, Area Developer must submit a notice to Vitality Bowls, which specifies in detail, the precise nature and grounds of such claim or dispute. Vitality Bowls shall not be required to first attempt to mediate a controversy, dispute or claim against Area Developer through mediation as set forth in this Section if such controversy, dispute or claim concerns an allegation by Vitality Bowls that Area Developer has violated (or threatens to violate, or poses an imminent risk of violating): (a) any of Vitality Bowl's federally protected intellectual property rights in Vitality Bowls' trademarks, Vitality Bowls' franchise and area developer system, or in any of Vitality Bowl's trade secrets or confidential information; (b) any claims pertaining to or arising out of any warranty issued; or (c) any of the restrictive covenants contained in this Agreement.

15.3 **Arbitration**

Any controversy or claim arising out of or related to this Agreement shall be settled by binding arbitration utilizing the service of JAMS/Endispute in Danville, California. The arbitration shall be presided over by one arbitrator who shall be a retired judge. The parties shall agree on a retired judge from the JAMS panel. If they are unable to agree, JAMS will provide a list of seven available judges and the arbitrator shall be selected by the striking and ranking procedure utilized by JAMS at said time. The decision of the arbitrator shall be binding. Judgment upon the award may be entered in any court having jurisdiction thereof. The fees and costs incurred with JAMS/Endispute shall be paid equally by the parties. In the event that one party fails to timely pay the fees and costs requested by JAMS ("Non-Paying Party"), the Non-Paying Party shall not be allowed to present evidence in the arbitration through testimony, written documentation or otherwise, and will not be allowed to cross-examine witnesses even if the adverse party has paid all of the JAMS fees and expenses for both themselves and the Non-Paying Party. In that instance, the arbitration shall go forward pursuant to the terms and conditions expressed herein.

15.4 **Injunctive Relief**

Notwithstanding any provision contained in this Section 15, You acknowledge that a breach of this Agreement by you, which relates to any of the matters set out below, will cause us irreparable harm, for which monetary damages are an inadequate remedy. Therefore, in addition to any other remedies we have under this Agreement, we are entitled to seek and obtain from a court of law the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to: (i) the Marks; (ii) the System; (iii) Intellectual Property; (iv) your obligations upon termination or expiration of this Agreement; (v) Confidential Information; and (vii) any act or omission by you or your employees that: (a) constitutes a violation of any legal requirement or (b) may impair the goodwill associated with the Marks or the System. An action seeking provisional remedies will be brought in any state or federal court within the jurisdiction in which we then have our principal place of business; provided, however, that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Restaurants are or were located or where any of your owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 15, and the parties waive any objections that they would otherwise have in this regard. Neither party is required to post a bond or other security with respect to obtaining injunctive relief. If we secure any such injunction, you agree to pay us an amount equal to the aggregate of its costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, we incurred in obtaining such relief.

15.5 **Confidentiality**.

The entire arbitration proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views, and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives, and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

15.6 **WAIVER OF PUNITIVE DAMAGES**

WE AND YOU HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE), WITH THE EXCEPTION OF TRADEMARK LAW TREBLE DAMAGES.

15.7 **JURY TRIAL WAIVER**

THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OR OUR AFFILIATES AND/OR ANY GOODS OR SERVICES OBTAINED FROM US OR OUR AFFILIATES.

15.8 **WAIVER OF CLASS OR GROUP ACTION**

ANY DISAGREEMENT BETWEEN YOU AND US (AND/OR OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND CANNOT BE BROUGHT AS A CLASS ACTION OR CLASS ARBITRATION. YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, CLASS ARBITRATION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

15.9 **LIMITATION OF ACTION**

ANY AND ALL CLAIMS YOU MAY HAVE AGAINST US OR ANY OF OUR AFFILIATES THAT ARE ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING, AS REQUIRED UNDER THIS AGREEMENT, IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO SUCH CLAIMS, AND THAT ANY ACTION NOT SO BROUGHT SHALL BE BARRED, WHETHER AS A CLAIM, COUNTERCLAIM, DEFENSE OR SETOFF.

16. ACKNOWLEDGEMENTS

16.1 Area Developer acknowledges and recognizes that different terms and conditions, including different fee structures, may pertain to different Area Developer Agreements and franchise agreements offered in the past, contemporaneously herewith, or in the future, and that Vitality Bowls does not represent that all Area Developer Agreements or franchise agreements are or will be identical. Area Developer acknowledges that it is not, nor is it intended to be, a third party beneficiary of this Agreement or any other agreement to which Vitality Bowls is a party.

16.2 Area Developer represents to Vitality Bowls that it has the business acumen, corporate authority, and financial wherewithal to enter into this Agreement and to perform all of its obligations hereunder, and furthermore, that the execution of this Agreement is not in contravention of any other written or oral obligation of the Area Developer.

16.3 Area Developer acknowledges and accepts the following:

The success of the Area Developer in managing and operating multiple Vitality Bowls Franchises is speculative and will depend on many factors including, to a large extent, Area Developer's independent business ability. Area Developer has been given the opportunity and been encouraged to obtain independent advice from legal and other professionals before entering into this Agreement. This offering is not a security as that term is defined under applicable Federal and State securities laws. The obligation to train, manage, pay, recruit and supervise employees of the Vitality Bowls Franchises rests solely with Area Developer. Area Developer has not relied on any warranty or representation, expressed or implied, as to the potential success or projected income of the business venture contemplated hereby. No representations or promises have been made by Vitality Bowls to induce Area Developer to enter into this Agreement except as specifically included herein. Vitality Bowls has not made any representation, warranty or guaranty, express or implied, as to the potential revenues, profits or services of the business venture to Area Developer and cannot, except under the terms of this Agreement, exercise control over Area Developer's business. Area Developer acknowledges and agrees that it has no knowledge of any representation made by Vitality Bowls or its representatives of any information that is contrary to the terms contained herein.

16.4 If Area Developer and/or the Vitality Bowls Franchised Businesses developed (or to be developed) by Area Developer is located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin,

then: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

16.5 Area Developer acknowledges that Vitality Bowl's right to offer or grant Franchises depends on Vitality Bowl's compliance with applicable franchise sales laws. Vitality Bowl shall not be liable to Area Developer if Vitality Bowl fails to grant Franchises to Area Developer while an amendment to a franchise disclosure document or an amendment or renewal or annual report required to maintain a franchise registration is being prepared or is awaiting approval.

17. EXECUTION.

17.1 This Area Development Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first written above.

VITALITY BOWLS:

VB PRIME INC
A Delaware Corporation

By: _____
Name: ROY GILAD
Title: CEO

AREA DEVELOPER:

_____
a(n) _____

By: _____
Name: _____
Title: _____

ATTACHMENT A

DESCRIPTION OF THE DEVELOPMENT TERRITORY

_____
_____
_____
_____
_____
_____

AREA DEVELOPER FEE

1.	Number of Vitality Bowls Franchises (including the Initial Business)	_____
	Fee for Initial Business:	$40,000
	1st additional Vitality Bowls Franchise @ $29,500	+ $29,500
	___Vitality Bowls Franchise(s) @ $20,000/ea:	+
	Total Area Developer Fee:	= $

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

VITALITY BOWLS:

VB PRIME INC
A Delaware Corporation

By: _____
Name: ROY GILAD
Title: CEO

AREA DEVELOPER:

_____
a(n)_____

By:_____
Name:_____
Title: _____

ATTACHMENT B

DEVELOPMENT SCHEDULE

1. Number of Vitality Bowls Franchises to be developed under this Agreement (including the Initial Business): _____

2. The termination date of this Agreement shall be the earlier of the date the Development Schedule is complete or _____, 20___.

3. Development Schedule:

Vitality Bowls Franchise	Development Period	Franchise Agreement Execution Deadline
1	_____ to _____	Date of execution of Area Developer Agreement
2	_____ to _____	
3	_____ to _____	
4	_____ to _____	
5	_____ to _____	

VITALITY BOWLS:

VB PRIME INC
A Delaware Corporation

By: _____
Name: ROY GILAD
Title: CEO

AREA DEVELOPER:

_____
a(n)_____

By:_____
Name:_____
Title: _____

ATTACHMENT C

STATEMENT OF SHAREHOLDERS/ MEMBERS/PARTNERS

The shareholders, members, or partners (collectively the "Shareholders") of the Area Developer and their respective shareholdings are as follows:

NAME OF SHAREHOLDER	NUMBER AND DESIGNATION OF SHARES	OWNERSHIP PERCENTAGE

AREA DEVELOPER:

_____

a(n)_____

By:_____

Name:_____

Title: _____

EXHIBIT E

FRANCHISE OPERATIONS MANUAL
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EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

VITALITY BOWLS® CURRENT FRANCHISEE LIST
AS OF DECEMBER 31, 2023

ARIZONA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
VBFamily, LLC Gary Leguima	3975 E. Williams Field Rd. Gilbert, AZ 85295	(480)634-5179	Open 2022
Fit Vibes, LLC* Wendy Alexonis	2959 N. Swan Rd. Tucson, AZ 85712	(520)771-9450	Open 2023
Fit Vibes, LLC* Wendy Alexonis	7155 E. Tanque Verde Rd. Tucson, AZ 85715	(520)771-9450	Not Yet Open

CALIFORNIA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
S&S Power Foods, LLC Silvana Robin	3401 Oakdale Rd. Ste 620 Modesto, CA 95355	(205)332-1550	Opened 2023
DITOO, INC Diana Salas	2375 Sandcreek Rd. Suite 102 Brentwood, CA 94513	925-666-8748	Opened 2015
Deep Diamond Foods, Inc Paras Gandhi	TBD - Burlingame, CA	919-809- 3936	Not Yet Opened
J&L Velasquez Inc Jonathan & Luisa Velasquez (Unit 2)	TBD – Burlingame, CA	415-699- 8943	Not Yet Opened
VDM Enterprises Vikas Gupta	6943 El Camino Real #103 Carlsbad, CA 92009	760-448-5080	Opened 2016
DS Ochoa Holdings, Inc. Debra Ochoa	20668 Rustic Dr. Castro Valley, CA 94546	510-690-9901	Opened 2015
Sneha Acharya	19700 Vallco Pkwy Suite 160 Cupertino, CA 95014	408-564-4585	Opened 2015
Ditoo, Inc Diana Salas	5271 Martinelli Way, Unit P3C, Dublin, CA 94568	925-361-8396	Opened 2015
BP Melon Inc. Scott Bui	39258 Paseo Padre Parkway Fremont, CA 94538	510-972-8841	Opened 2020
VHB Bowls Corp Van Chung Ha	Gilroy, CA	408-489- 4992	Not Yet Opened
Fu Foods, LLC Fu Long	TBD – Healdsburg, CA	707-396- 4804	Not Yet Opened
Kimmco Rene Kim	TBD- Larkspur, CA	925-878- 1910	Not Yet Opened

Extreme Limits, LLC Michael Thomas and Jessie Watson	822 Lifestyle St. Manteca, CA 95661	209-239-7870	Opened 2017
VHB Bowls Corp Van Chung Ha	Milpitas, CA	408-489-4992	Not Yet Opened
VHB Bowls Corp Van Chung Ha	1053 Cochcrane Road, Suite 180 Morgan Hill, CA 95037	669-888-3120	Opened 2019
SNC Enterprise Sacha Camacho	650 Castro St, Ste 140 Mountain View, CA 94040	650-386-1653	Opened 2018
Deep Diamond Foods Paras Gandhi	35111 Newark Blvd, Ste. G Newark, CA 94560	510-458-4634	Opened 2017
Gambelt, Inc. Maria Fernanda & Gustavo Gamba	209 California Ave, Palo Alto, CA 94306	650-473-9740	Opened 2015
E&S Wholistic Ventures LLC Eric Tenner & Sarah Matthews	1401 Hilltop Dr. Unit E4, Redding CA, 96003	530-605-3215	Opened 2022
Fu Foods, LLC Fu Long	TBD – Rohnert Park, CA	707-396-4804	Not Yet Opened
KYPARK, Inc. Dana Verducci	3988 Douglas Blvd Suite 130 Roseville, CA 95661	916-771-4137	Opened 2016
Meak Inc, Marty Kleine	8915 Towne Centre Drive Suite1-107 San Diego, CA 92122	858-412-4891	Opened 2016
The Hom Family Corporation Brian & Kathy Hom	5660 Cottle Rd. Suite 30 San Jose, CA 95123	408-571-6401	Opened 2017
The Hom Family Corporation (Unit 2) Brian & Kathy Hom	5110 Cherry Avenue San Jose, CA	408-622-4262	Opened 2017
J&L Velasquez, Inc. Luisa & Jonathan Velasquez	1088 E Brokaw Road San Jose, CA 95131	408-573-7913	Opened 2017
The Hom Family Corporation (Unit 3) Brian & Kathy Hom	TBD- San Jose- Almaden	408-622-4262	Not Yet Opened
TNM Ventures Inc Thomas Mattappallil	1167 Lincoln Ave. San Jose, CA 95125	408-320-4344	Opened 2021
Makalu, LLC Chandani Singh	3555 Monroe St Santa Clara, CA	408-249-0699	Opened 2017

Fu Foods, LLC Fu Long	1880 Mendocino Ave, Suite G Santa Rosa, CA 94501	707-540-0655	Opened 2019
B&G Enterprise Vitality, Inc. Grace John	115 S Frances St Sunnyvale, CA 94086	408-498-0074	Opened 2017
RAKS ENTERPRISES, LLC Fazal Ali	1631 E Monte Vista Ave Vacaville, CA 95688	707-353-2695	Opened 2018

COLORADO

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Colorado Superfood, LLC Jeremy Kashnow	2525 Arapahoe Ave, Boulder, CO 80302	303-862-7474	Opened 2018
Colorado Superfood, LLC (Unit 2) Jeremy Kashnow	TBD - Boulder, CO	303-862-7474	Not Yet Opened
Colorado Superfood, LLC (Unit 3) Jeremy Kashnow	TBD - Boulder, CO	303-862-7474	Not Yet Opened
E&H Soco, LLC Elisabeth & Michele Everett	13492 Bass Pro Dr, Suite 120 Colorado Springs, CO 80920	719-639-7150	Opened 2020

FLORIDA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Mad Dog Healthy Ventures LLC Jon Lanning	Fort Meyers, FL	616-822-5500	Not Yet Opened
Sears Ventures, Inc. Amy & Don Sears	1516 3rd Street N. Jacksonville Beach, FL	904-595-5492	Opened 2017
Indivdual Sergio Lopez	11810 Glass House Lane Ste. 120, Orlando, FL 32836	407-985-2308	Opened 2022

GEORGIA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Power Bowls Enterprise, LLC Sushma & Sreeka Chada	TBD – Johns Creek, GA	678-852-3243	Not Yet Open

SUPERBOWL CHAMPS INCORPORATED, Joan & Doug Bell (Unit 1)	364 Commerce St Alpharetta, CA 300009	770-680-2519	Opened 2018
Power Bowls Enterprise, LLC Sushma Chada	3120 Mathis Airport Suwanee, GA 30024	678-852-3243	Not Yet Open
SUPERBOWL CHAMPS INCORPORATED, Joan & Doug Bell (Unit 2)	TBD – Cumming GA	630-207-3494	Not Yet Open
Elidas Vida Group, Inc. Angel German	3320 Hamilton Mill Road Buford, GA 30519	404-539-7727	Not Yet Open

INDIANA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
His Side, RLC, LLC Dave & Irene Tang	110 West Main St. Suite 115 Carmel, IN 46032	317-581-9496	Opened 2015

MASSACHUSETTS

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
ATE SUPERFOODS 1, LLC (Unit 3) Tim & Stephany Johnson	113 Bond St. Watertown, MA 02472	(917) 721-2037	Opened 2022
ATE SUPERFOODS 2, LLC (Unit 2) Tim & Stephany Johnson	425 Massachusetts Ave. Space #2 Cambridge, MA 02139	(917) 721-2037	Opened 2022
THJ Superfoods Corp. (Unit 2) Tim & Stephany Johnson	TBD-Cambridge, MA	(917) 721-2037	Not Yet Open
THJ Superfoods Corp. (Unit 1) Time & Stephany Johnson	Watertown, MA	(917) 721-2037	Opened 2023

MICHIGAN

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Mad Dog Jon Lanning	3569 28th Sr. SE. Grand Rapids, MI 49512	616-588-4100	October 2019

TDM3, LLC Dawn Moss	6385 Orchard Lake Rd. West Bloomfield, MI 48322	(248)562-7328	Opened 2023

NEBRASKA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
SFVB Omaha, LLC Justin Halbert, Benjamin Dabney	1922 S 67th Street Omaha, NE 68106	402-614-9323	Opened 2018
SFVB Omaha, LLC Justin Halbert, Benjamin Dabney	2835 S 170th Plaza #208, Omaha, NE 68130	402-913-2699	Opened 2019

NEW JERSEY

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Vitality Plus, LLC Amit Patel	434 Bergen St Harrison, NJ 07029	(973) 900-6953	Not Yet Open
Vitality Plus, LLC Amit Patel	TBD - Hackensack, NJ	(973) 900-6953	Not Yet Open

NEW YORK

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Charlie & Denise Scurderi	52 Manetto Hill Road, Plainview NY 11803	516-809-8555	Opened 2019
Unlimited Bowls LLC Syed Khalid	1839 South Rd Wappingers Falls, NY	845-298-1000	Opened 2018

NORTH CAROLINA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Vitalicious LLC Karthick Natarajan & Anamika Kak	1414 S. Tryon Street #150 Charlotte, NC 28203	(704) 900-7745	Opened 2023

OHIO

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Rustic Trails Terry & Cyndi Roberts	TBD - Columbus, OH	740-215-4162	Not Yet Opened
SLC Café' LLC Trendily & Jeff Co	19511 Center Ridge Road, Rocky River, OH 44116	216-712-6999	Opened 2019
Rustic Trails Terry & Cyndi Roberts	1510 Stonecreek Dr. S., Pickerington ,OH 43147	614-626-0031	Opened 2019
Co-Creations Corp Michael Todia	347 Front St. Berea, OH 44017	(440)297-4113	Opened 2023

OREGON

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Jables, LLC Jessica & Lucas Hufford	440 Coburg Road #102, Eugene, OR 97401	541-654-5109	Opened 2019
RADILLA'S LLC ANDRES RADILLA	7935 SW Nyberg Street Tualatin, OR 97062	530-482-5960	Opened 2017

PENNSYLVANIA

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Healthy Bites Mechanicsburg, LLC Meetul Patel	230 Village Dr, Ste 150 King of Prussia, PA 19406	484-231-8675	Opened 2018
Healthy Bites Mechanicsburg, LLC Meetul Patel (Unit 2)	825 Hogestown Road Mechanicsburg, PA 17050	717-766-0400	Opened 2021

TENNESSEE

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Nourish Nooga Ben Shaw & Sally Landham (Unit 1)	TBD – Chattanooga TN	(901) 409-3856	Not Yet Open
Nourish Nooga Ben Shaw & Sally Landham (Unit 2)	TBD – Chattanooga TN	(901) 409-3856	Not Yet Open

TEXAS

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
KFSA Enterprise Khurshid Sattar	1310 Cypress Creek #115 Cedar Park, TX 78613	512-291-6221	Opened 2018
J&S Crossroads, Inc. Jay and Sue Johnson	24120 Northwest Freeway, #250 Cypress, TX 77429	346-379-8122	Opened 2018
SpringBoyd Group, Inc. Christopher & Rena Boyd	3030 Broad St. Mansfield, TX 76063	901-378-7339	Not Yet Open
JC Ventures Casey Winchell	110 Smirl Drive Heath, TX 75032	972-900-0605	Not Yet Open
Superfoods Café LLC Shereen Chand	3620 Ranch Rd Bee Cave tx 78738	408-603-4406	Not Yet Open
JJNM, LLC. Josh Willingham	5105 Eldorado Parkway #160 Frisco, Texas 75033	972-987-5144	Opened 2017
JJNM, LLC. Jamie Willingham	5729 Lebanon Rd #110, Frisco TX 75034	469-294-0448	Opened 2019
6W Investments Molly & Steven Watters	10501 Quaker Ave Lubbock, TX 79424	806-933-0444	Opened 2023
6W Investments Molly & Steven Watters	2400 Glenna Goodacre Suite 106D Lubbock, Texas	806-701-4011	Opened 2016
SRK Superfoods Krishna Gaddala	3610 W University Dr., McKinney, TX 75071	469-714-0800	Opened 2020
Crews Ventures Mike Crews	2100 Dallas Parkway, Suite 132, Plano, TX 75093	469-969-0088	Opened 2020
Prolific Holding Pal Annamalai Solaimayil Anandanatarajan	2750 E Southlake Blvd, Ste 110, Southlake, TX	682-477-4362	Opened 2020

UTAH

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
EAST COAST, INC. Carmela Sannuto & Daniel Fuentes	51 South Main St, Salt Lake City, UT 84150	801-883-9065	Opened 2020

WASHINGTON

Franchisee	Restaurant Address	Telephone Number	Restaurant Opening Year
Vin One Corp Vin Van Phan	429 Fairview Ave. N. Seattle, WA 98109	206-257-1758	Opened 2019

***Area Developer**

Former Franchisees

The name and last known address of every franchisee who had a Vitality Bowls Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2023 to December 31, 2023, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Entity/Owner Name	City, State	Phone
SDV SQUARE, INC. Sivaram Charmiraju	Los Gatos, CA	408-884-8845
PBDB LLC Mickey Boom	Wappingers Falls, NY	845-298-1000
TDK ENTERPRISES, INC. Tony DeSantis	Omaha, NE	402-614-9323
M&A SQUARED, INC. Anil Nair	Sunnyvale, CA	408-498-0074
Individual Fred Baluyut	Manteca, CA	209-239-7870
H & X CREATIVE HOLDINGS, INC Harold Gattereau	Ocoee, FL	407-377-5880
ELEVATE LIFESTYLE LLC Ashley Jaynes	San Marcos, TX	512-400-0427
G. SECTION, INC. Sally Matiszik	St. Louis, MI	314-448-1015
FIT 2RACE LLC Therese Lopez	Clemmons, NC	240-446-3198
Struckhoff Enterprises, LLC Michael Struckhoff	Temecula, CA	714-984-4982
Rhea Food, LLC Walid Lutfi	Brea, CA	818-667-7599
5820 SUPERFOODS, INC. Ninfa Cabello-Solis	Castle Rock, CO	303-688-2695
Individual Anisha Sharma	Arlington, VA	703-785-7975
JONESLM, INC. Latasha Jones	Friendswood, TX	832-224-9372
Her Ventures, LLC Heather Simpson	Bellingham, WA	360-389-5561
Zev Inc. Todd Stein	Dallas, TX	469-206-0194
J. DUBS ACQUISITIONS, LLC Joshua Willingham	Cedar Park, TX	512-291-6221
Gautam Foods, LLC Deepak Kumar & Achia Pathak	Seattle, WA	206-257-1758
Weeryoung Enterprises, Inc. John & Carol Young	Peachtree City, GA	404-452-3876

EXHIBIT G

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR VB PRIME INC

The following modifications are made to the Vitality Bowls ("Franchisor," "us," "we," or "our") Franchise Disclosure Document ("FDD") given to Franchisee ("Franchisee," "you," or "your") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us ("Franchise Agreement"). When the term "Franchisor's Choice of Law State" is used, it means the state where the Vitality Bowls franchise is located. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the applicable State Addendum along with the Franchise Agreement and any Supplemental Agreements.

NASAA REQUIRED MODIFICATIONS TO ITEM 22 OF THE FDD –

IN ADDITION TO CERTAIN STATE SPECIFIC ADDENDA THAT FOLLOW, THE FOLLOWING LANGAUGE SHALL BE APPLICABLE IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

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

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement and Supplemental Agreements require the application of the Franchisor's Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration, with the fees and costs of arbitration being paid equally by the parties.. The arbitration will occur in California, the Franchisor's Choice of Law State. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a form outside the State of California.

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

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest

rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

Franchisee, for itself and themselves, and on behalf of its constituents, acknowledge that it is familiar with Section 1542 of the California Civil Code, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Item 2 of the FDD shall be amended and restated in its entirety as follows:

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise stated, all Vitality Bowls positions are currently based out of our headquarters in Danville, California since relocating from San Ramon, California in 2019.

Co-Founder, Chief Executive Officer and Chairman of the Board: Roy Gilad

Mr. Gilad co-founded Vitality Bowls with his wife, Tara, in May of 2019. Since that time, he has served as the CEO, CFO and Chairman of the Board . Prior to the Restructuring and the formation of VBP, Mr. Gilad served as the Co-Founder, CEO, CFO and Chairman of the Board of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013.

Co-Founder, President and Secretary: Tara Gilad

Ms. Gilad co-founded Vitality Bowls with her husband, Roy, in May of 2019. Since that time, she has been our President and Secretary of the Board of Directors . Prior to the Restructuring and the formation of VBP, Ms. Gilad served as the Co-Founder, President and Secretary of the Board of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013.

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Vice President of Real Estate and Franchise Development: Uriah Blum

Mr. Blum has been our Vice President of Real Estate and Franchise Development since August 1, 2021. Previously, he was our Vice President of Operations since our inception in May of 2019. Prior to the Restructuring and the formation of VBP, Mr. Blum served as the Vice President of Operations of our predecessor, Vitality Bowls Enterprises, LLC since its inception in November of 2013. Mr. Blum is related to both Tara Gilad (sister) and Theo Blum (wife).

Director of Supply Chain and Logistics: Tammy Kyle

Ms. Kyle has been our Director of Supply Chain and Logistics since September of 2022. Before joining Vitality Bowls, she was the Director of Supply Chain – Purchasing for Saxco International in Concord, CA from January of 2019 through June of 2022. From December of 2012 through December of 2019, she was a Senior Manager – Product Development and Inventory Management with MacPherson Art in Emeryville, California.

Director of Public Relations and Marketing: Thea Blum

Ms. Blum has been our Director of Public Relations and Marketing since March 2015. Ms. Blum is married to Uriah Blum, our Vice President of Real Estate and Franchise Development.

Section 21.05 of the Franchise Agreement shall be deleted in its entirety from the Franchise Agreement.

Section 21.02 of the Franchise Agreement shall be amended to add the following:

Notwithstanding anything to the contrary set forth above, Franchisors must notify prospective franchisees of the approval or disapproval of their transfer application within 60 days after receiving the information required from the franchisee. The franchisor's notice must be in writing and delivered to the prospective franchisee by email, courier, or certified mail. If the prospective franchisee's application is denied, the franchisor's notice must set forth the reasons for the disapproval**.**

Section 8.08 of the Franchise Agreement shall be deleted and restated in its entirety as follows:

Right of Offset: We will have the right, at any time before or after termination of this Franchise Agreement, *provided the franchisee agrees to the amount owed or the franchisor has received a final adjudication of any amounts owed*, to offset any amounts or liabilities that you may owe to us against any amounts or liabilities that we may owe you under this Franchise Agreement or any other agreement, loan, transaction, or relationship between the parties.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

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

The following list reflects the status of the Franchise registrations of the Franchisor in the states which require registration:

1. This proposed registration is effective in the following states:

2. This proposed registration is or will shortly be on file in the following states:

3. States which have refused, by order or otherwise, to register these Franchises are:

None

4. States which have revoked or suspended the right to offer the Franchises are:

None

5. States in which the proposed registration of these Franchises has been withdrawn are:

None

Fee Deferral. Item 5 and Item 7 of the Franchise Disclosure Document, Section 8 of the Franchise Agreement and Section 3 of the Area Development Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business.

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document, Section 8 of the Franchise Agreement and Section 3 of the Area Development Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business. Payment of the Development Fee

will be deferred until the first franchise is open and operational. The fee deferral requirement was imposed by the Illinois Attorney General because of the Franchisor's financial condition.

VB PRIME INC:	**FRANCHISEE**:
_____	_____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

INDIANA

Item 13 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Protected Area.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in the Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies. Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such

prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason modified to the extent necessary to comply with Indiana Code 23-2- 2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS [WHICH INCLUDES, TO THE EXTENT APPLICABLE, THE AREA DEVELOPMENT AGREEMENT, SYSTEM PROTECTION AGREEMENT, CONFIDENTIALITY AGREEMENT, LEASE ADDENDUM, COLLATERAL ASSIGNMENT OF LEASES, OWNER'S AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONAIRE, WAIVER AND RELEASE OF CLAIMS AND ANY OTHER EXHIBIT OR ATTACHMENT TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRACHISE AGREEMENT]

Item 5 of the FDD and the Franchise Agreement are amended to state: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens."

Item 17 of the FDD and the Franchise Agreement are amended to state: "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."

Representations in the Franchise Agreement and Supplemental Agreements are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement and Supplemental Agreements are amended to state that 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 three (3) years after the grant of the Franchise.

The Franchise Agreement and franchisee questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

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

VB PRIME INC

By: _____

Name: _____

Title: _____

Date:

FRANCHISEE:

[_____]

By: _____

Name: _____

Title: _____

Date:

MICHIGAN

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

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

(a) A prohibition on your right to join an association of franchisees.

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

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five (5) years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

NEW YORK

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

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

2. The following "Risk Factor" is added to the page entitled **Special Risks to Consider About *This* Franchise:**

> **4. Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such personfrom 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, actionsaffecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes ofaction arising

in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the "Summary" section of Item 17(d), titled "**Terminationby franchisee**": You may terminate the agreement on any grounds available by law.

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

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

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document, Section 8 of the Franchise Agreement and Section 3 of the Area Development Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business. Payment of the Development Fee will be deferred until the first franchise is open and operational. The fee deferral requirement was imposed by the North Dakota Securities Department because of the Franchisor's financial condition.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to VB PRIME INC, 156 Diablo Road, Suite 120, Danville, CA 94526, or send a fax to VB PRIME INC at (925) 833-1167 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____ By:_____

Print Name: _____

Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

SOUTH DAKOTA

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document, Section 8 of the Franchise Agreement and Section 3 of the Area Development Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business. Payment of the Development Fee will be deferred until the first franchise is open and operational. The fee deferral requirement was imposed by the South Dakota Securities Regulation office because of the Franchisor's financial condition.

VIRGINIA

The following "Risk Factor" is added to the page entitled **Special Risks to Consider About *This* Franchise:**

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

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for VB PRIME INC for use in the Commonwealth of Virginia shall be amended as follows:

> Additional Disclosure. The following statements are added to Item 8 and Item 17.h.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the 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.

Fee Deferral

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

WASHINGTON –
ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

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

RCW 19.100.180 may supersede the franchise agreement 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 or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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

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

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

Fee Deferral: *The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each business the Franchisee opens under the Area Development Agreement, the Division will require that the franchise fees be released proportionately with respect to each franchised business.*

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

_____	_____
FRANCHISOR	FRANCHISEE

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

FRANCHISEE:

BY:_____
PRINT NAME:_____
TITLE:_____

FRANCHISOR:

BY:_____
PRINT NAME:_____
TITLE:_____

EXHIBIT H

CONTRACTS FOR USE WITH THE VITALITY BOWLS FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Vitality Bowls Restaurant. The following are the forms of contracts that VB PRIME INC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT H-1

VITALITY BOWLS FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (the "Release") is made as of_____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of VB PRIME INC, a Delaware corporation ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (the "Agreement") pursuant to which Franchisee was granted the right to own and operate a Vitality Bowls Restaurant;

WHEREAS, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee (enter into a successor franchise agreement), and Franchisor has consented to such transfer (agreed to enter into a successor franchise agreement); and

WHEREAS, as a condition to Franchisor's consent to the transfer (Franchisee's ability to enter into a successor franchise agreement), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent to the transfer (Franchisor entering into a successor franchise agreement), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. The undersigned represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of California.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

e. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one (1) and the same document.

f. If one (1) or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

g. The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

h. This Release may be executed in duplicate, and each copy so executed shall be deemed an original. This Release may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Release transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Release. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Release shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

_____

By: _____

Name: _____

Its: _____

Date _____

FRANCHISEE'S OWNERS:

_____
Signature

_____
Typed or Printed Name

EXHIBIT H-2

VITALITY BOWLS FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of VB PRIME INC, a Delaware corporation, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Competitive Business" means any business that derives any portion of its revenue from the operation of superfood cafes offering healthy Acai and other superfood bowls, smoothies, paninis, wraps and toasts, salads, grain bowls and other healthy superfood options. A Competitive Business does not include a Vitality Bowls Restaurant operating pursuant to a franchise agreement with us.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Vitality Bowls Restaurant or the solicitation or offer of a Vitality Bowls franchise, whether now in existence or created in the future.

"Franchisee" means the Vitality Bowls franchisee for whom you are an officer, director, employee, or independent contractor.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Vitality Bowls Restaurant, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Vitality Bowls Restaurant.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Vitality Bowls Restaurant, including "VITALITY BOWLS," and any other trademarks, service marks, or trade names that we designate for use by a Vitality Bowls Restaurant. The term "Marks" also includes any distinctive trade dress used to identify a Vitality Bowls Restaurant, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (i) engaging in or investing in, or inducing others to, own, manage, operate, finance, or control, participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, or render services or advice to any Competitive Business or to any business that grants franchises or licenses for the right to operate Competitive Businesses (other than owning an interest of five percent (5%) or less in a publicly traded company that is a Competitive Business); (iii) soliciting or attempting to solicit any customer of Franchisee's Vitality Bowls Restaurant or any customer of ours or any of our affiliates or franchisees; (iv) soliciting, employing, or otherwise engaging as an employee, independent contractor, or otherwise, any person who is or was an employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee, or in any manner inducing or attempting to induce any employee of ours or any of our affiliates or franchisees, or was a prospective, current or former franchisee, to terminate his or her employment and/or to engage in any activities that would benefit a Competitive Business or

would be injurious or prejudicial to the goodwill associated with the Franchisee's Vitality Bowls Restaurant, the Marks and/or the System; (v) interfering with Franchisee's Vitality Bowls Restaurant and/or our relationship with any person, including any person who at any time during the time you were a manager or officer of Franchisee's Vitality Bowls Restaurant was an employee, contractor, supplier, or customer; or (vi) performing any other act injurious or prejudicial to the goodwill associated with the Franchisee's Vitality Bowls Restaurant, Marks and/or the System.

"Restricted Period" means the two (2) year period after you cease to be a manager or officer of Franchisee's Vitality Bowls Restaurant; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the one (1) year period after you cease to be a manager or officer of Franchisee's Vitality Bowls Restaurant.

"Restricted Territory" means the geographic area within: (i) a 25-mile radius from Franchisee's Vitality Bowls Restaurant (and including the premises of the Restaurant); and (ii) a 25-mile radius from all other Vitality Bowls Restaurants that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means such maximum geographic area within a certain specified mile radius from Franchisee's Vitality Bowls Restaurant (and including the premises of the Restaurant) that is deemed permissible by said court of competent jurisdiction or applicable law.

"System" means our system for the establishment, development, operation, and management of a Vitality Bowls Restaurant, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an officer, director, or manager of Franchisee. As a result of this relationship, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire Franchise System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Vitality Bowls Restaurant operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know- how immediately if you are no longer a manager or officer of Franchisee's Vitality Bowls Restaurant. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Vitality Bowls Restaurant by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed

the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Vitality Bowls franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of the state where the Franchisee's Vitality Bowls Restaurant is located, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

e. This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic

signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

EXHIBIT H-3

VITALITY BOWLS FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of VB PRIME INC, a Delaware corporation, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow Vitality Bowls franchisees to use, sell, or display in connection with the marketing and/or operation of a Vitality Bowls Restaurant, whether now in existence or created in the future.

"Franchisee" means the Vitality Bowls franchisee for whom you are an officer, director, employee, or independent contractor.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Vitality Bowls Restaurant, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Vitality Bowls Restaurant.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Vitality Bowls Restaurant, including "VITALITY BOWLS" and any other trademarks, service marks, or trade names that we designate for use by a Vitality Bowls Restaurant. The term "Marks" also includes any distinctive trade dress used to identify a Vitality Bowls Restaurant, whether now in existence or hereafter created.

"System" means our system for the establishment, development, operation, and management of a Vitality Bowls Restaurant, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

"Vitality Bowls Restaurant" means a business that operates superfood cafes offering healthy Acai bowls and other healthy food options and other related services and products using our Intellectual Property.

2. Background. You are an employee, independent contractor, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Vitality Bowls Restaurant operated by Franchisee; (ii) you will

maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an officer, director, employee, or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Know-how to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Vitality Bowls franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of California, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

d. This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be

deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

(Signatures on following page)

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

EXHIBIT H-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee E-mail Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	Checking Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes VB PRIME INC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:_____ Date: _____
Name:_____
Its: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT H-5

VITALITY BOWLS FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("Agreement") is entered into this_____day of _____, 20_____, between VB PRIME INC ("Franchisor"), _____ ("Former Franchisee") and _____ ("New Franchisee").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("Franchise Agreement"), in which Franchisor granted Former Franchisee the right to operate a Vitality Bowls franchise located at _____ ("Franchised Business"); and

WHEREAS, Former Franchisee desires to assign ("Requested Assignment") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").

2. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Franchise Agreement.

3. Termination of Rights to the Franchised Business. The parties acknowledge and agree that all of Former Franchisee's rights to operate the Franchised Business and rights under the Franchise Agreement are hereby relinquished and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business. Former Franchisee and its owners agree to comply with all of the covenants in the Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

4. New Franchise Agreement. New Franchisee shall execute Franchisor's current form of Franchise Agreement and attachments for the Franchised Business (as amended by the form of

Addendum prescribed by Franchisor, if applicable) and any other required contracts for the operation of a Vitality Bowls franchise as stated in Franchisor's Franchise Disclosure Document.

5. Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three (3) year period following the execution of this Agreement.

6. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of a new franchise agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Franchisee, and shall not involve Franchisor.

7. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Franchise Agreement or Franchised Business. Buyer hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the new Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

8. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

9. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Franchise Agreement.

10. Affiliates. When used in this Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

11. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

VB PRIME INC

By:_____
ROY GILAD

Title: CEO

FORMER FRANCHISEE:

_____

By:_____

Title: _____

NEW FRANCHISEE:

_____

By:_____

Title: _____

EXHIBIT H-6

LEASE ADDENDUM

This Addendum to Lease, dated_____, 20___, is entered into by and between _____ ("Lessor"), and_____("Lessee").

A. The parties hereto have entered into a certain Lease Agreement dated _____, 20___, and pertaining to the premises located at _____ ("Lease").

B. Lessor acknowledges that Lessee intends to operate a Vitality Bowls franchise from the leased premises ("Premises") pursuant to a Franchise Agreement ("Franchise Agreement") with VB PRIME INC ("Franchisor") under the name Vitality Bowls or other name designated by Franchisor (herein referred to as "Franchised Business" or "Franchise Business").

C. The parties now desire to amend the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed between Lessor and Lessee as follows:

1. Assignment. Lessee shall have the right to assign all of its right, title, and interest in the Lease to Franchisor or its parent, subsidiary, or affiliate (including another franchisee) at any time during the term of the Lease, including any extensions or renewals thereof, without first obtaining Lessor's consent in accordance with the Collateral Assignment of Lease attached hereto as Attachment 1. However, no assignment shall be effective until the time as Franchisor or its designated affiliate gives Lessor written notice of its acceptance of the assignment, and nothing contained herein or in any other document shall constitute Franchisor or its designated subsidiary or affiliate a party to the Lease, or guarantor thereof, and shall not create any liability or obligation of Franchisor or its parent unless and until the Lease is assigned to, and accepted in writing by, Franchisor or its parent, subsidiary, or affiliate. In the event of any assignment, Lessee shall remain liable under the terms of the Lease. Franchisor shall have the right to reassign the Lease to another franchisee without the Landlord's consent in accordance with Section 3(a).

2. Default and Notice.

a. In the event there is a default or violation by Lessee under the terms of the Lease, Lessor shall give Lessee and Franchisor written notice of the default or violation within a reasonable time after Lessor receives knowledge of its occurrence. If Lessor gives Lessee a default notice, Lessor shall contemporaneously give Franchisor a copy of the notice. Franchisor shall have the right, but not the obligation, to cure the default. Franchisor will notify Lessor whether it intends to cure the default and take an automatic assignment of Lessee's interest as provided in Paragraph 4(a). Franchisor will have an additional fifteen (15) days from the expiration of Lessee's cure period in which it may exercise the option, but it is not obligated to, cure the default or violation.

b. All notices to Franchisor shall be sent by registered or certified mail, postage prepaid, to the following address:

VB PRIME INC.
156 Diablo Road, Suite 120

Danville, CA 94526

Franchisor may change its address for receiving notices by giving Lessor written notice of the new address. Lessor agrees that it will notify both Lessee and Franchisor of any change in Lessor's mailing address to which notices should be sent.

c. Following Franchisor's approval of the Lease, Lessee agrees not to terminate, or in any way alter or amend the same during the Term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent, and any attempted termination, alteration, or amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

3. Termination or Expiration.

a. Upon Lessee's default and failure to cure the default within the applicable cure period, if any, under either the Lease or the Franchise Agreement, Franchisor will, at its option, have the right, but not the obligation, to take an automatic assignment of Lessee's interest and at any time thereafter to reassign the Lease to a new franchisee without Landlord's consent, and to be fully released from any and all liability to Landlord upon the reassignment, provided the franchisee agrees to assume Lessee's obligations and the Lease.

b. Upon the expiration or termination of either the Lease or the Franchise Agreement, Landlord will cooperate with and assist Franchisor in securing possession of the Premises, and if Franchisor does not elect to take an assignment of the Lessee's interest, Lessor will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Lessor, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Vitality Bowls marks and system, and to distinguish the Premises from a Franchised Business. In the event Franchisor exercises its option to purchase assets of Lessee, Lessor shall permit Franchisor to remove all the assets being purchased by Franchisor.

4. Consideration; No Liability.

a. Lessor hereby acknowledges that the provisions of this Addendum to Lease are required pursuant to the Franchise Agreement under which Lessee plans to operate its business and Lessee would not lease the Premises without this Addendum. Lessor also hereby consents to the Collateral Assignment of Lease from Lessee to Franchisor as evidenced by Attachment 1.

b. Lessor further acknowledges that Lessee is not an agent or employee of Franchisor, and Lessee has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Lessor has entered into this Addendum to Lease with full understanding that it creates no duties, obligations, or liabilities of or against Franchisor or any affiliate of Franchisor.

5. Amendments. No amendment or variation of the terms of the Lease or this Addendum to the Lease shall be valid unless made in writing and signed by the parties hereto.

6. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Agreement as though copies herein in full.

7. Beneficiary. Lessor and Lessee expressly agree that Franchisor is a third party beneficiary of this Addendum.

8. Execution. This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original. This Agreement may also be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. A signed copy of this Agreement transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement. You agree that the electronic signatures or digital signatures (each an "e-Signature") of any party to this Agreement shall have the same force and effect as manual signatures of such party and such e-Signature shall not be denied legal effect or enforceability solely because it is in electronic form or an electronic record was used in its formation. You agree that an e-Signature of either party is intended to: (i) authenticate the signature, (ii) represent the party's intent to sign, and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. You agree not to contest the admissibility or enforceability of either party's e-Signature.

IN TESTIMONY WHEREOF, witness the signatures of the parties hereto as of the day, month, and year first written above.

By:_____	By: _____
Title:_____	Title: _____

EXHIBIT H-6

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20___ ("Effective Date"), the undersigned,_____("Assignor") hereby assigns, transfers and sets over unto VB PRIME INC ("Assignee") all of Assignor's right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as Exhibit A ("Lease") with respect to the premises located at _____. This Collateral Assignment of Lease ("Assignment") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under that certain franchise agreement for a Vitality Bowls franchise between Assignee and Assignor ("Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in the event, Assignor shall have no further right, title, or interest in the Lease.

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

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

_____

By:_____

Its: _____

ASSIGNEE:

VB PRIME INC

By: ROY GILAD

Its: CEO

EXHIBIT I

PRE-CLOSING QUESTIONNAIRE

PRE-CLOSING QUESTIONNAIRE

[*To be completed by Franchisee and all Owners before signing Franchise Agreement*]

DO NOT COMPLETE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

As you know, you and VB Prime Inc. (the "Franchisor") are about to enter into a franchise agreement for the development, opening and operation of a Vitality Bowls® franchised outlet (the "Outlet"). The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor's Franchise Disclosure Document?

Yes____ No____

2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No____

3. Have you received and personally reviewed the VB Prime Inc. Franchise Agreement and all accompanying Exhibits?

Yes____ No____

4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a Vitality Bowls® Outlet operated by Franchisor or any of its affiliates?

Yes____ No____

5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation (aside from the disclosure provided in Item 19 of the FDD) or promise concerning the revenue, profits or operating costs of a Vitality Bowls ® Outlet operated by a franchisee?

Yes____ No____

6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning any Vitality Bowls® Outlet that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating a Vitality Bowls® Outlet ?

Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise

concerning the amount of revenue a Vitality Bowls® Outlet will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating a Vitality Bowls® Outlet that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

10. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Vitality Bowls® Outlet?

Yes____ No____

11. Has any employee or other person speaking on behalf of Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

12. Do you understand that Franchisor's approval of a location for the Outlet does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the Outlet at the location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the Outlet does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the Outlet will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes____ No____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

PROSPECTIVE FRANCHISEE/APPLICANT:

By:_____
Print Name:_____
Date:_____

By:_____
Print Name:_____
Date:_____

EXHIBIT J

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	
Michigan	
New York	

In states that do not require a franchise registration or exemption filing, the effective date of this disclosure document is the issuance date of April 16, 2024.

EXHIBIT K

RECEIPTS

RECEIPT
(Retain This Copy)

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 VB PRIME INC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa or Rhode Island law, if applicable, VB PRIME INC must provide this disclosure document to you at your first personal meeting to discuss the franchise. New York law requires VB PRIME INC to provide this disclosure document to you at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires VB PRIME INC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If VB PRIME INC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

VB PRIME INC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Uriah Blum 156 Diablo Road, Suite 120, Danville, CA 94526 (925) 866-2224

Issuance Date: April 16, 2024

I received a disclosure document issued April 16, 2024which included the following exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	Franchise Operations Manual Table of Contents
Exhibit F	List of Current and Former Franchisees
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Vitality Bowls Franchise
Exhibit I	Pre-Closing Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

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 VB PRIME INC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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Exhibit K	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to VB PRIME INC, 156 Diablo Road, Suite 120, Danville, CA 94526.