

FRANCHISE DISCLOSURE DOCUMENT

JUST LOVE FRANCHISE GROUP, LLC

A Florida Limited Liability Company 761 Old Hickory Blvd.
Suite 300

Brentwood, Tennessee 37027

(866) 496-4836

www.justlovecoffeeandcafe.com

alan@justlovecorp.com

We offer a franchise to operate a Just Love Coffee & Café® shop that offers a menu featuring upscale coffee and tea beverages, waffles, wraps, baked goods, specialty sandwiches and desserts for breakfast, lunch and dinner.

The estimated initial investment to begin operation of a Just Love Coffee & Café shop ranges from ~~\$482,500 to \$743,000~~ \$494,500 to \$759,500, including \$50,000 to \$52,000 that you pay to us for initial fees. ~~This includes an initial franchise fee of \$39,000, plus opening inventory that costs between \$6,000 and \$8,000 paid to the franchisor or its affiliates, and project management.~~ If you enter into an Area Development Agreement with us, the total investment necessary to begin operation of at least three cafés ranges from ~~\$1,419,500 to \$2,201,000~~ \$1,455,500 to \$2,250,500, including ~~initial fees of at least \$89,000~~ \$150,000 to \$156,000 that you pay to us for initial fees, opening inventory, and project management.

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

You may wish to receive your disclosure documents in another format that is more convenient for you. To discuss the availability of disclosures in different format, contact Eric Wheeler at 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027, via e-mail at eric.wheeler@justlovecorp.com, or by phone at (629) 202-4855.

The terms of your contract (Franchise Agreement) will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract in this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. Information in this Disclosure Document can help you make up your mind. More information on franchising such as “A Consumer’s Guide To Buying a Franchise” which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania

Avenue, N.W., Washington, D.C. 20580. You can also visit the FTC home page at www.ftc.gov. For additional information, call your state agency or visit your public library for other sources of information on franchising.

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

DATE: June ~~626, 2024~~2025

[4939-1026-0270v2](#)

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 J.
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 business be the only Just Love Coffee & Café 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.

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 [LK](#).

Your state may also 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 arbitration and/or litigation only in Tennessee. Out of state arbitration and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Tennessee than in your own state.
2. **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. **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.

Please note, 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.

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

- (A) A prohibition on the right of a franchisee to join an association of franchisees.
- (B) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

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Exhibit M <u>L</u>	Forms of Franchise Compliance Certification
Exhibit N <u>M</u>	State Effective Dates and Receipts

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT AND MIGHT REQUIRE A RIDER TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM OR RIDER.

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Just Love Franchise Group, LLC, and is referred to as “we,” “us,” or “our.” We refer to a person or entity that acquires a Just Love Coffee & Café franchise (a “**Franchised Café**” or

“**Café**”) from us as “you” or “your.”

Franchisor, Parent and Affiliates. We are a Florida limited liability company formed on February 9, 2018. Our principal business address is 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027 and was previously 2000 Mallory Lane, Suite 130-253, Franklin, Tennessee 37067. We do business under our company name and as “Just Love.” As of August 20, 2019, we became a wholly-owned subsidiary of Just Love Enterprises, LLC, a Delaware limited liability company formed on May 17, 2019 (“**Parent**”). The principal business address of Parent is 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027. We have no affiliates that offer franchises in any line of business. Our agents for service of process are listed on Exhibit [LK](#).

Predecessors. Our predecessor is Just Love Franchising, LLC (“**JLF**”), a Tennessee limited liability company formed on August 13, 2014. Its address is 129 MTCS Drive, Murfreesboro, Tennessee 37129. Its phone number is (615) 624-8169. On February 28, 2018, we acquired all of the intellectual property rights and franchising rights of JLF. JLF began franchising Just Love Coffee & Café shops in August 2014. JLF sold one franchise in Murfreesboro, TN in 2014. That franchise agreement was assigned to us in February 2018.

Just Love Enterprises, Inc. (“**JL IP**”) is a Tennessee corporation formed on January 7, 2014. Its address is 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027. JL IP’s phone number is 615624-8169. JL IP owned the intellectual property assets used by JLF to franchise Just Love Coffee & Café shops. On February 9, 2018, JL IP assigned that intellectual property to us, and on May 18, 2019, we assigned our interests in the Just Love Coffee trademarks to Parent. JL IP does not sell any goods or services to our franchisees.

Just Love Roasting, LLC (“**JL Roaster**”) is a Tennessee limited liability company formed on January 30, 2015. Its address is 129 MTCS Drive, Murfreesboro, TN and its phone number is 615-6248169. JL Roaster served as a coffee roaster and supplier to JLF. On February 28, 2018, JL Roaster became an affiliate under common control. JL Roaster sells coffee to the franchisees.

Except as described above, we do not have any parent, predecessors or affiliates who have offered franchises in this or any other lines of business.

Our Business. We are in the business of offering single unit and multi-unit franchise opportunities to own and operate Just Love Coffee & Café shops and selling or providing goods and services to their franchisees. We began offering franchises for Just Love Coffee & Café shops as of February 28, 2018. We do not offer franchises in other line of business. JL Roaster roasts coffee and sells that coffee and other supplies to our franchisees. Other than serving as a supplier to our franchisees and offering and selling franchises for Just Love Coffee & Café shops, we do not engage in any other business activities.

The Franchise. We franchise a distinctive business format system for the operation of a “**Just Love Coffee & Café**” shop. Just Love Coffee & Café shops offer breakfast, lunch and dinner service with different varieties of coffee, tea and a food menu featuring distinctive artisan waffles, breakfast entrees,

wraps, sandwiches, salads, sides and desserts, for either on-site dining or take-out. Each Just Love Coffee & Café shop operates from a specified location that we designate (the “**Site**”). You may engage in off premises delivery and catering with our consent. Your Site may offer a drive-through window, which we do not require and would be added at your option. Our Cafés do not serve alcoholic beverages. A typical Site for a new Just Love Coffee & Café shop ranges from approximately ~~1,500~~1,400 square feet to ~~2,200~~1,800 square feet with seating from 40 to 80 persons. Sites are typically located in in a shopping center or strip mall with convenient parking, in enclosed malls or other enclosed facilities, and some may have a footprint that is modified to conform to the facility such as a common seating area. We are currently planning the development of prototype units for free standing drive through locations.

We may allow the operation of a Café in a non-traditional venue such as a shopping mall food court, sports arena, transportation center, educational institution dining or recreational facility, health care facility, or other type of venue where you do not control access to the Café by the general public or the hours of operation (each such location, a “**Host Facility**”, and each such Café, a “**Non-Traditional Café**”). If you intend to operate a Non-Traditional Café, then we require you to enter into the Limited Access Concept Addendum to the Franchise Agreement. A Non-Traditional Café may offer a different menu from a standard Café that we approve, share seating and beverage dispensing with other establishment counters, offer service hours to match the traffic in the host facility, have server uniforms that match uniforms worn by other food servers at the Host Facility, and have limited use of Mark-bearing signage and other System elements.

We also offer an Area Development Agreement for the exclusive right to develop a territory large enough for multiple Cafés (the “**Development Area**”) granted to a qualified enterprise and developer (a “**Developer**”). The Area Development Agreement does not grant a franchise to operate a Franchised Café but does prohibit us and our Affiliates from operating a Café or granting a license or franchise to anyone else to operate a Café within a defined area for a period of time set by the agreement. This restriction on our rights does not apply to Non-Traditional Cafés that we may locate within the Development Area. Under an Area Development Agreement, you must then meet a Performance Schedule by locating a café site, submitting the information necessary for us to consider the site, obtaining our approval for the site, and then signing our Franchise Agreement for the Café. Upon establishing each additional unit under the Area Development Agreement, a Developer may be required to sign a then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this FDD. Additionally, you must pay a development fee at signing, which will be credited toward the initial franchise fees for each Café you commit to open.

Our business was founded with a mission to help those who are trying to make the world a better place. We have developed a unique fundraising program that offers an easy, cost-effective, and fun way for local charities to raise needed funds through sales of artisan coffees on our website. The commitment to charitable donations and service is an important element of our Brand identity and your local marketing efforts.

To maintain and promote our brand and our company mission, we use, promote and license certain trademarks, service marks and other commercial symbols and other associated logos, designs, symbols and trade dress (collectively, the “**Marks**”) in the operation of Just Love Coffee & Café shops (including Just Love Coffee Roasters® and Just Love Coffee Café®) , which have gained and continue to gain public acceptance and goodwill, and we may create, use and license additional Marks for the operation of Just Love Coffee & Café shops.

matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; and availability of and requirements for accessibility for public accommodations, including restrooms; (d) set standards pertaining to employee health and safety; (e) set standards and requirements for fire safety and general emergency preparedness; (f) control the operation of delivery vehicles; (g) regulate the proper use, storage and disposal of waste, grease, and other hazardous materials; and (h) nutrition labeling laws governing display of nutritional information and limiting the use of trans-fats in preparation of food prepared or served on-premises. We encourage you to investigate the laws, regulations and other requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

ITEM 2

BUSINESS EXPERIENCE

Founder: Rob Webb

Rob Webb currently serves as our Founder. From our formation in February 2018 until January, 2023, he also served as CEO in Brentwood, Tennessee. He has served as JLF's CEO in Murfreesboro, Tennessee since its formation in August 2014. Mr. Webb has served as President of Webb's Refreshments, Inc. in Murfreesboro, Tennessee since January 2009. Mr. Webb continues to operate one shop location in Murfreesboro TN, which is referred to as a company owned and operated location.

Chief Executive Officer: Alan Thompson

Mr. Thompson has served as our CEO in Nashville, Tennessee since January of 2023. Prior to that he served as President and Secretary in Nashville, Tennessee since our inception in February 2018. Mr. Thompson has served as JLF's Vice President and Secretary in Murfreesboro and Nashville, Tennessee since August 2014.

President: Robert A. Speck

Robert A. Speck has served as our President since August 2023. Since January 2008, he has served as President and Chief Executive Officer of BCB Franchising, LLC, a franchisor of Blue Coast Burrito restaurant franchises in Brentwood, Tennessee.

Chief Operating Officer: Richard S. Wozniak

Richard S. Wozniak has served as our Chief Operating Officer since August 2023. Since September 2009, he has served as the Chief Operating Officer of BCB Franchising, LLC, a franchisor of Blue Coast Burrito restaurant franchises in Brentwood, Tennessee.

Vice President of Franchise Development: Kevin Bauerle

Mr. Bauerle has served as our Vice President of Franchise Development in Nashville, Tennessee since our inception in February 2018. Since May 2016, he has served as President of Franchise Opportunity Consultants, LLC in Nashville, Tennessee.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

The initial franchise fee (the “**Franchise Fee**”) for an individual Just Love Coffee & Café shop franchise is \$39,000 for the first Café with additional locations owned by the same franchisee having a Franchise Fee of \$25,000 each, paid in a lump sum when you sign the Franchise Agreement, or paid 50% with the execution of an Area Development Agreement, with the other 50% paid at Franchise Agreement execution. Franchise Fees are not refundable under any circumstances. We may vary the Franchise Fee when business circumstances warrant. ~~In 2023, the Franchise Fees paid to us ranged from \$25,000 to \$39,000.~~

When you sign an Area Development Agreement, you must commit to develop two or more cafés. Upon signing the Area Development Agreement, you must pay the \$39,000 initial franchise fee for the first, plus half (\$12,500) of the \$25,000 Franchise Fee for each additional Just Love Coffee & Café you commit to develop. You must sign the franchise agreement, pay the balance of the Franchise Fee and obtain our acceptance for your proposed café locations by the dates specified in the Area Development Agreement to obtain the reduced initial franchise fee for each Café.

You must pay us \$5,000 before signing a Letter of Intent to use our Project Manager, who will work with you from site selection through the entire process to open your Just Love Coffee & Café. You must spend at least ~~\$5,000~~10,000 on the Grand Opening advertising campaign (“**Grand Opening Program**”) for the Just Love Coffee & Café. We may require that you deposit that amount with us at least 60 days before opening and allow us to pay the vendors directly or reimburse you for expended costs of the Grand Opening Program.

You must purchase opening coffee bean and beverage inventory from us. This purchase price for this order ranges from \$6,000 to \$8,000. You must purchase beverage production and kitchen equipment from Total Resa Restaurant Equipment.

Any fees we charge can be paid and collected via ACH payment.

ITEM 6

OTHER FEES

ITEM 6: OTHER FEES			
Type of fee¹fee	Amount⁴Amount	Date due³due	Remarks

Royalty Fee	6% of Gross Sales (2)	Monthly by Electronic Funds Transfer (EFT) with our third-party service provider.	See Note 3. At our option, we can require your Royalty Fee to be paid on a monthly, weekly, or daily basis. We currently process the EFT transactions on a monthly basis.
System Development Fee	Up to 3% of Gross Sales; currently: 2% of Gross Sales	Payable at the same time and by the same method as the Royalty Fee	We deposit this Fee in the System Development Fund controlled by us
Additional On-Site Training or Assistance	\$500 per trainee and \$1,000 per trainer, plus reimbursement of trainer expenses (travel, lodging, meals, incidentals). We may change these fees in	5 days after billing	We charge this fee if we require or you request, and we agree to provide, On-Site training or Opening Training Team training in addition to our standard opening training program, or we provide additional Opening Training Team members.

ITEM 6: OTHER FEES			
Type of fee¹fee	Amount⁴Amount	Date due³due	Remarks
	the Manual at any time.		
National Convention Registration Fee	Then current registration fee; currently \$500 per person	When we bill you before attending the national convention	You or your Manager must attend each national convention we hold that we designate as mandatory.
Local Advertising	Minimum of \$1,000 <u>2,000</u> or 2.5% of Gross Sales, per month, whichever is greater.	Payable directly to advertising agencies, vendors or to us.	You must spend at least \$1,000 <u>2,000</u> or 2.5% of Gross Sales, whichever is greater, per month on local advertising, including websites and content that we approve. We may require you to pay and use our local store marketing company if and when we implement the requirement. We may require you to pay these monies to us so that we may place and pay for the local advertising on your behalf.
Grand Opening Program	\$5,000 <u>10,000</u> minimum	Payable directly to advertising agencies, vendors or to us up to 60 days before opening	You must spend at least \$5,000 <u>10,000</u> on the Grand Opening Program based on a plan that we provide or otherwise approve. We may require you to pay these monies to us so that we may place and pay for the local advertising on your behalf.

LAA Fees	Up to 2% of your Gross Sales	Payable to a local advertising association.	When there are two or more Just Love Coffee & Café in your Designated Primary Area (“DPA”), you may be required to contribute Local Advertising Fees of up to 2% of your Gross Sales to the cooperative or Local Advertising Association (the “LAA”). LAA fees are credited toward your Local Advertising spend obligation
Collection Costs	Varies: Amount incurred by us to collect unpaid amounts from you that become past due	On demand	Includes attorneys’ fees and costs of collection, which may vary greatly.
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by applicable law	Accrue 10 days after payment due date; payable on demand	Applies to past due amounts payable to us.
Late Payment/ Administrative Fees	\$50 per delinquent payment, or the maximum amount allowable by applicable law, whichever is less (\$30 in Minnesota)	As incurred.	Applies to past due amounts payable to us. An Administrative Fee will be payable to us if you fail to pay the delinquent fees within the cure period provided in the related notice of delinquent fees we send to you.
<u>Audit Fees</u>	<u>Varies: Amount incurred by us to audit</u>	<u>On demand</u>	<u>Payable only if an audit shows that you understated your Gross Sales</u>

ITEM 6: OTHER FEES			
Type of fee¹fee	Amount⁴Amount	Date due³due	Remarks
Audit Fees	Varies: Amount incurred by us to audit your Just Love Coffee & Café, estimated to range from \$500 to \$1,000	On demand	Payable only if an audit shows that you understated your Gross Sales by more than 2% in any month or year. These costs vary depending upon the circumstances of the audit.
Costs and Attorneys’ Fees	Varies: Our actual costs and attorneys’ fees	As incurred.	Payable if your default under any agreement with us causes us to incur legal fees and costs.
Indemnification	Our actual costs; will vary according to loss	On demand	You must pay the costs of defense and resolution we incur, including settlements, judgments, attorneys’ fees and defense costs for any claim arising from your ownership or operation of the Café. or other covered circumstances, if you are obligated to indemnify us.

Business Management Fee	Greater of up to 10% of your Gross Sales or \$5,000 per month, plus expenses	Paid along with the Royalty Fee on the Payment Date.	Payable if we or an affiliate manages your Just Love Coffee & Café on your behalf on a temporary basis if you fail to cure a material breach of the Franchise Agreement or become disabled or deceased.
Training Reimbursement Fee	\$10,000. We may change this Fee in the Manual.	On Demand	If you hire an employee of another Just Love Coffee & Café to work in your Café, you must pay us this Fee to reimburse for training expenses incurred to train that employee in our System. We will pay the Fee over to the former employee's employer.
Successor Fees and Costs	50% of our then current standard Franchise Fee plus all out of pocket costs; the transferee (or transferor) must pay a \$10,000 fee to train the transferee.	When you request that we approve the transfer	Compensates us for considering the franchise application of and training the successor. We may inspect the Café and develop a list of required updates and improvements that the successor or you must complete as a condition to final approval of the transfer; you reimburse our costs of inspection, including travel, lodging and meals
Non-Compliance Fee for System Standard Breaches	Currently \$250 per violation. We may change the amount in the Manual. We may levy a Non-Compliance Surcharge of up to 4 times the standard fee if you fail to attend required training or a meeting as part of the cure obligation for the violation.	Due upon invoice	Payable if you breach our System Standards or the Franchise Agreement. We also require you to sign a general release to cure your deficiencies or other breaches of the Franchise Agreement. See Exhibit F.

ITEM 6: OTHER FEES

Type of fee ¹ fee	Amount ⁴ Amount	Date due ³ due	Remarks
	obligation for the violation.		
Late Reporting Fees	\$100 per week that any report due to us is late	Due upon invoice	If you are late in submitting to us any mandatory reports, financial or customer data or financial statements in the format we specify, we may automatically process these (and any other fees) via the Computer System.

Technology Fee	<u>\$250 to</u> \$1,000	Paid via ACH on the 15 th of each month	Includes email, splash radio, Loyalty program, Website, e-cards, menu boards, and training system. We may change the Technology Fee once annually to reflect changes in the cost and scope of providing technology access, content and support.
Relocation Fee	\$2,500	Date of approval of relocation	If you request our approval to relocate your Café to another Site.
<u>Liquidated Damages (Note 8)</u>	<u>The average monthly Royalty Fee and System Development Fee for the 12 months preceding termination, or the number of months the Outlet has been open if less, multiplied by the lesser of 36 or the number of months remaining in the term</u>	<u>At termination of the Franchise Agreement</u>	<u>Payable if the Franchise Agreement terminates prior to expiration unless we breach and fail to cure, or certain other events occur.</u>
Other Fees	Varies: As approved	As incurred, as approved by Franchisees.	We may implement additional fees for additional services if a majority of franchisees in good standing approve our proposal to add or modify any such fee. (7)

Notes:

1. Unless otherwise indicated, all fees in this table are imposed by and payable to us, our predecessor or our affiliate. Unless otherwise indicated, all fees in the chart apply the same to each franchise. In general, we expect to impose all fees described in this Item uniformly among all franchisees. We reserve the right to vary these fees if, in our sole discretion, we choose to do so as business circumstances warrant. All fees in this table are non-refundable, except as provided in Item 5. Fees may not be uniform among franchisees.

2. “**Gross Sales**” are defined in the Franchise Agreement as all revenue you derive from operating the Just Love Coffee & Café, including, but not limited to, all amounts you receive at or away from the Site from any activities or services whatsoever including any that are in any way associated with the sale of Products or Services and/or in any way associated with the System, and whether from cash, check, barter, digital payment methods, credit or debit card or credit transactions; but excluding (1) all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; (2) customer refunds, adjustments, credits and allowances authorized by us that are actually made by the business; (3) proceeds from the sale of the capital assets of the Business and any financing of the Business; and (4) amounts excluded from Gross Sales attributable to such promotions, deductions and allowances (e.g., coupons or buy-one-get-one-free offers) as we may specify in the confidential Operations Manual or other Manual concerning the operation of a Just Love® Business

(collectively, the “**Manual**”) or in writing at any time. Gross Sales also includes revenue you receive from vending machines or other coin-operated machines or devices dispensing Products and Services and revenue from delivery service sales, retail, concessions, lottery ticket sales, catering, special functions, etc. and sales of products bearing Marks or associated with the System.

3. We will designate the day (the “**Payment Day**”) the payments are due to us in the Manual or by written notice to you. The Payment Day may be daily if we collect fees daily. Otherwise, if weekly, the Payment Day will be Wednesday. We may use a third-party payment processor to collect Royalty Fees. If the Payment Day falls on a national holiday, the payment is due on the first weekday following the Payment Day. We currently require that you pay all payments due to us by the electronic funds transfer method we designate. The form agreement for payments via Electronic Funds Transfer (Automated Clearing House) is attached as Exhibit G. You agree to comply with the procedures we specify in our Manual and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. On the Payment Day, you will report to us by telephone, internet, intranet or electronic means or in written form, as we direct, your Just Love Coffee & Café’s true and correct Gross Sales for the immediately preceding day, month, or week (whichever we specify).

4. All fixed dollar amounts may be adjusted as of January 1 of each year in proportion to changes in the Consumer Price Index (U.S. Average, all items) maintained by U.S. Departments of Labor. Each Adjustment will be made effective as of January 1 based on the January Index but the first adjustment will not be made until the second January following the Agreement Date.

5. Currently, there are no advertising or purchasing cooperatives that you must join. If a local advertising cooperative or local advertising association (“**LAA**”) is established, you will be required to contribute to it an amount determined by that local advertising cooperative up to 2% of your Gross Sales per Calendar Year. We expect that if a cooperative (LAA) is formed, there may be written governing documents to review, it will provide annual or periodic statements, will be operated by the cooperative or LAA or a hired advertising agency. We have the right to require the cooperative or LAA to be formed, changed or dissolved. We will permit you access to the payment and expenditure records of any cooperative or LAA to which you contribute. Our or our affiliates’ outlets, if any, will participate on an equal basis, and will contribute on an equal basis. We do not have a defined area for the cooperatives or LAA. They may vary based on industry standards for the media selected. If a local store marketing company is hired for the system, you will be required to participate. All payments are credited to your local store marketing obligation.

6. ~~Technology Fee.~~ We have a Technology Fee to support the cost and overhead of providing technology and related assistance to our System. We may require that you enter into a separate technology service or license agreement covering these services. We may change the Technology Fee once annually to reflect changes in the cost and scope of providing technology access, content and support, but the Technology Fee will not exceed ~~\$1,500~~1,000 per month. We may add and drop technology services in our discretion.

7. The term “**good standing**” means that a franchisee has paid all amounts then due under its franchise agreement to us and to our Affiliates, has not otherwise defaulted under its franchise agreement and failed to cure the default within the time permitted, and no event has occurred which would give us the right to terminate the franchise agreement without notice and opportunity to cure, or with notice, the passage of time or both.

8. If the Franchise Agreement terminates prior to its expiration date for any reason other than our default and failure to cure, you must pay us liquidated damages in an amount equal to the average combined Royalty Fees and System Development Fees for the 12 months preceding termination, or the number of months elapsed in the term, if less than 12, multiplied by the lesser of (i) 36 or (ii) the number of months remaining in the term.

**ITEM 7
ESTIMATED INITIAL
INVESTMENT**

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT - SINGLE CAFÉ					
Type of expenditure (1)	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Franchise Fee (Note 1)	\$39,000	\$39,000	Wire Transfer	Upon execution of Franchise Agreement	Us
Grand Opening Program (Note 2)	\$5,000 <u>10,000</u>	\$5,000 <u>10,000</u>	As arranged by you	Before opening & as incurred	Approved Supplier
Travel & Living Expenses for Training (Note 3)	\$4,000	\$8,000	As arranged by you	During preopening training; as incurred	Suppliers
1 to 2 Months' Rent Payment (Note 4)	\$3,500 <u>5,000</u>	\$15,000 <u>13,000</u>	Check	Before opening	Landlord
Leasehold Improvements (Note 4)	\$250,000	\$400,000	As arranged by you	Before opening; varies by supplier	Contractors
<u>Project Manager (Note 5)</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>Wire Transfer</u>	<u>Before opening when you sign a Letter of Intent with Landlord</u>	<u>Us</u>
Architectural and Engineering (Note 5 <u>6</u>)	\$16,000	\$18,000 <u>20,000</u>	As Incurred	Before opening	Approved Supplier <u>Suppliers</u>
Furniture, Fixtures, Equipment and Supplies (Note 6 <u>7</u>)	\$110,000	\$170,000	As arranged by you	Before opening	Approved Supplier
Digital Menu Boards	\$6,000	\$7,000	As Incurred	Before opening	Approved Supplier
Exterior Signage (Note 7 <u>8</u>)	\$4,000	\$10,000 <u>12,000</u>	As arranged by you	Before opening; varies by supplier	Approved Supplier
Point-of-Sale System (Note 8 <u>9</u>)	\$3,000 <u>3,500</u>	\$4,000 <u>4,500</u>	As arranged by you	Before opening; as incurred	Approved Supplier

Pre-Opening Inventory & Supplies (Note 9 <u>10</u>)	\$9,000	\$15,000	As arranged by you	Before opening; varies by supplier	Approved Supplier (including us)
Security Deposits (Utilities)	\$1,000	\$2,000	As arranged by you	Before Opening	Utility Providers
ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT - SINGLE CAFÉ					
Type of expenditure (1)	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Legal, Accounting & Licenses (Note 10 <u>11</u>)	\$1,000	\$4,000	As Incurred	As arranged by you	Suppliers
Insurance (Note 11 <u>12</u>)	\$4,000	\$6,000	As arranged by you	As arranged by you	Insurance Companies
<u>Employees' Salaries - 2 Months (Note 13)</u>	<u>\$7,000</u>	<u>\$14,000</u>	<u>As arranged by you</u>	<u>As arranged by you</u>	<u>As arranged by you</u>
<u>Additional Funds (3 months, Note 14)</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>As Incurred</u>	<u>As arranged by you</u>	<u>Suppliers; Employees, etc.</u>
<u>TOTAL</u>	<u>\$494,500</u>	<u>\$759,500</u>			

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT – SINGLE CAFÉ					
Type of expenditure (1)	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
<u>Employees' Salaries – 2 Months (Note 12)</u>	<u>\$7,000</u>	<u>\$10,000</u>	<u>As arranged by you</u>	<u>As arranged by you</u>	<u>As arranged by you</u>
<u>Additional Funds (3 months, Note 13)</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>As Incurred</u>	<u>As arranged by you</u>	<u>Suppliers; Employees, etc.</u>
<u>TOTAL</u>	<u>\$482,500</u>	<u>\$743,000</u>			

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT – 3 CAFÉ AREA DEVELOPMENT AGREEMENT					
Type of expenditure (1)	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
Franchise Fee (Note 1)	\$89,000	\$89,000	Wire Transfer	Upon execution of Franchise Agreement	Us
Grand Opening Program (Note 2)	\$15,000 <u>30,000</u>	\$15,000 <u>30,000</u> <u>0</u>	As arranged by you	Before opening & as incurred	Approved Supplier

Travel & Living Expenses for Training (Note 3)	\$12,000	\$24,000	As arranged by you	During preopening training; as incurred	Suppliers
1 to 2 Months' Rent Payment (Note 4)	\$10,500 <u>15,000</u>	\$45,000 <u>39,000</u>	Check	Before opening	Landlord
Leasehold Improvements (Note 4)	\$750,000	\$1,200,000	As arranged by you	Before opening; varies by supplier	Contractors
<u>Project Manager (Note 5)</u>	<u>\$15,000</u>	<u>\$15,000</u>	<u>Wire Transfer</u>	<u>Before opening when you sign a Letter of Intent with Landlord</u>	<u>Us</u>
Architectural and Engineering (Note 5 <u>6</u>)	\$48,000	\$54,000 <u>60,000</u>	As Incurred	Before opening	Approved Supplier <u>Suppliers</u>
Furniture, Fixtures, Equipment and Supplies (Note 6 <u>7</u>)	\$330,000	\$510,000	As arranged by you	Before opening	Approved Supplier
Digital Menu Boards	\$18,000	\$21,000	As Incurred	Before opening	Approved Supplier
Exterior Signage (Note 7)	\$12,000	\$30,000	As arranged by you	Before opening; varies by supplier	Approved Supplier
Point-of-Sale System (Note 8)	\$9,000	\$12,000	As arranged by you	Before opening; as incurred	Approved Supplier

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT – 3 CAFÉ AREA DEVELOPMENT AGREEMENT

Type of expenditure (1)	Amount (Low)	Amount (High)	Method of payment	When due	To whom payment is to be made
<u>Exterior Signage (Note 8)</u>	<u>\$12,000</u>	<u>\$36,000</u>	<u>As arranged by you</u>	<u>Before opening; varies by supplier</u>	<u>Approved Supplier</u>
<u>Point-of-Sale System (Note 9)</u>	<u>\$10,500</u>	<u>\$13,500</u>	<u>As arranged by you</u>	<u>Before opening; as incurred</u>	<u>Approved Supplier</u>
Pre-Opening Inventory & Supplies (Note 9 <u>10</u>)	\$27,000	\$45,000	As arranged by you	Before opening; varies by supplier	Approved Supplier (including us)

Security Deposits (Utilities)	\$3,000	\$6,000	As arranged by you	Before Opening	Utility Providers
Legal, Accounting & Licenses (Note 10 11)	\$3,000	\$12,000	As Incurred	As arranged by you	Suppliers
Insurance (Note 11 12)	\$12,000	\$18,000	As arranged by you	As arranged by you	Insurance Companies
Employees' Salaries - 2 Months (Note 12 13)	\$21,000	\$30,000 42,000	As arranged by you	As arranged by you	As arranged by you
Additional Funds (3 months, Note 13 14)	\$60,000	\$90,000	As Incurred	As arranged by you	Suppliers; Employees, etc.
TOTAL	\$1,419,500 1,455,500	\$2,201,000 2,250,500			

Explanatory Notes:

1. The total initial investment will depend on the number of Just Love Coffee & Cafés to be developed. The range of this estimate includes your estimated initial investment for one Just Love Coffee & Café. For the estimated range of costs, we relied on franchisees' information and our predecessor's experience in the coffee café business. You should carefully review these figures with your business advisor before making any decision to purchase a Just Love Coffee & Café franchise. These estimates are based on a location that does not have a drive through window that ranges from approximately ~~1,500 to 2,200~~1,400 to 1,800 square feet. If you intend to operate your location with a drive-through window, your costs may be significantly higher. The additional costs to operate a location with a drive-through window may be higher by as much as \$75,000. If you intend to operate a Non-Traditional Café, then your costs may vary significantly. The Franchise Fee you pay when you sign the Franchise Agreement is non-refundable. We and our affiliates do not offer direct or indirect financing. This estimate does not include the salaries for you or your manager during training. Amounts disclosed in this Item 7 paid to third parties may be refundable, depending on your negotiations with those third parties.

2. You must spend a minimum of ~~\$5,000~~10,000 on the Grand Opening Program and related expenses for your Just Love Coffee & Café. See Item 6. See Note 13. Grand Opening Program costs may include your initial order of marketing materials, and the cost of any mandatory product sampling during Grand Opening. The Grand Opening Program expenditure and any associated marketing plan is mandatory. See Item 11.

3. Estimated costs of lodging, meals, and transportation. These costs will vary upon personal preference, number of trainees, and distance from the training site. These estimates do not include direct or indirect payroll costs. See Item 11.

4. Our business model assumes that you lease and remodel an existing building to be the Site of your Just Love Coffee Café, with the Site size ranging from low (~~1,500~~1,400 sq. ft.) to high (~~2,200~~1,800 sq. ft.). These estimates assume monthly lease payments of approximately ~~\$3,500~~5,000 to ~~\$7,500~~6,000 per month for the Site, based on a rental rate including triple net ("NNN") lease charges of ~~\$27~~30 to ~~\$45~~50 per square foot (rounded to nearest hundred). These rates will likely be higher for drive through and end cap locations. The NNN lease commonly includes monthly shares of common area maintenance fees, insurance and real estate taxes for the center in which the site is located. We also assume that the landlord includes

amortization of leasehold improvement costs in the rent as either work performed and paid for by the landlord directly or through a tenant improvement allowance (“TI”), which allows the tenant to contract for the work it wants and receive payment or reimbursement from the landlord. The low range estimate assumes leasehold improvements are necessary, and that a portion of the improvements are included in landlord work and/or TI under the lease. The low range assumes \$250,000 and the high range assumes up to \$400,000 in leasehold improvements are needed, which may include TI. Your initial investment will be higher by as much as \$75,000 or more if you add drive through service to your location, which we do not require and would be added at your option. We do not recommend and do not estimate the cost of purchasing a building or constructing a building. Just Love Coffee & Cafés are generally located on ~~end-cap~~ endcap spaces, and generally require seating for 40 - 80 persons and access to 10 to 30 parking spaces, depending on zoning, number of seats, location, and square footage of the space. If your proposed location has insufficient parking you may need to lease additional parking spaces. The low range assumes one month of rent as the security deposit and free rent during the initial investment period. The high range assumes one-month advanced rental payment, one month rent as a security deposit and free rent during the initial investment period. If you choose to purchase the land and building for your Just Love Coffee & Café, your initial costs likely will be significantly higher than if you choose to lease the premises. Some of your costs for the lease, TI, construction or remodeling and other Site improvements may be financed through a bank or other financial institution. These estimates are based primarily upon our predecessor’s experience in Tennessee where Just Love Coffee & Cafés are currently located. Depending upon your area, your costs may vary. While we recommend you negotiate with the landlord to obtain 3 to 6 months of free rent, you must be prepared to pay rent prior to opening of the Just Love Coffee & Café. This estimate does not assume you pay more than 1 month rent prior to your opening date. It is your responsibility to ensure that all code compliance, accessibility and feasibility issues are resolved to the satisfaction of all interested parties.

5. We employ a Project Manager who will work with you through the entire process to open your Just Love Coffee & Café. This includes: (a) initial planning and site investigation, including project schedule, budget, and scope of work; (b) vendor selection, including the architects on the design, MEP (Mechanical, Electrical and Plumbing), as well as layout, equipment suppliers, and contractors; (c) scope and budget, including facilitating all information to various vendors, coordinating the as-built surveys, preparing construction documents, visiting the site, and project bidding; (d) plans, approvals, and permits, including coordinating the Landlord approval process, managing the submittal of all permits, applications and approving all quotes, contracts, and purchase orders; (e) construction, including conducting preconstruction coordination meetings, site visits with contractor, vendors and suppliers, and punch lists; and (f) close out responsibilities for final payment to contractor.

6. ~~_____ You must use and pay our approved suppliers. The Retail Strategy for site selection assistance and Positive Balance Financial Group, LLC, for accounting services; and choose from multiple approved-suppliers for architectural, and engineering, and real estate construction. We pay for services from The Retail Strategy, but you must pay the other suppliers.~~

67. The equipment necessary for the operation includes coffee equipment, refrigeration, oven, waffle irons, freezer, ice maker, counters, shelving and like equipment, as well as small wares. It also includes the Identity Package, which will include custom bar(s), soffit design, interior pictures, colors and specified lighting to implement our standard trade dress. The operation of a drive-through window will require additional equipment to operate. We will assist with the initial drawings or suggestions for the layout, as well as provide our Standards and Specifications to our approved architect for engineered and/or stamped drawings, depending on code requirements in your area. You are responsible for all costs regarding working drawings, construction and architectural plans, as well as for obtaining all permits. Your initial

investment costs may be lower if you lease café equipment than purchase it. Your initial investment costs may be higher if your location has a drive-through window. Equipment rental or financing rates and deposit amounts will vary based on credit rating and other factors. We or our affiliates currently do not lease equipment to you.

78. Required signage includes channel letters, monument and other signage available and must adhere to our design specifications. If your location has a drive-through window, additional signage will be required, and your signage costs will be higher.

89. This amount includes the current range of costs of hardware, peripheral equipment, software, installation and training. These costs may vary, depending upon the configuration utilized in your Just Love Coffee & Café and whether your location has a drive-through window. Installation and training by an approved vendor may be required. Participation in, and integration of your Computer System with our gift card and loyalty programs is required.

910. Initial Inventory and supplies include items such as coffee beans and supplies, food products, other beverage products, merchandise, cleaning items, employee uniforms, menus, paper goods and the like.

1011. You will need to obtain licenses, bonds and other approvals needed to build-out or remodel the Site for your Just Love Coffee & Café. You should check with the local agency that issues building permits to determine what licenses and fees might be required for the specific site for your Just Love Coffee & Café.

1112. Insurance premiums are dependent upon requirements of the state in which your franchise is located, the amount of your payroll and other factors. Your prepaid amount is also determined by your arrangements with your provider.

1213. You will need to hire employees and pay salaries to staff your Just Love Coffee & Café. This assumes you employ one person during pre-opening period (2 months prior to opening), and several full-time and part time employees just before and after opening.

1314. This amount includes miscellaneous operating expenses and Additional Training Fees, if any. These figures are estimates only, and it is possible that you may have additional or greater expenses during this period. This estimate does not include the salaries for you or your Manager during training. We do not finance your initial investment costs. Fees paid to third parties disclosed in this Item 7 may be refundable, depending on your negotiations with those third parties. We do not know if those third parties will agree to any refunds or the terms for doing so. We relied on our experience, as well as information provided by our predecessor in determining the additional funds needed and other estimates in Item 7. These figures are estimates, and we cannot guarantee that you will not have additional expenses or a longer initial phase starting the business. This is an estimate of your initial start-up expenses for a single location for 3 months. These figures are not a prediction of net losses or net earnings from a Just Love Coffee & Café. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Unit. They do not estimate cash needs to cover interest or principal payments on lease or debt financing incurred by you or for your other expenses. We recommend providing for additional cash reserves to cover your expenditures for supplies, local advertising, utilities, and other miscellaneous operating costs. More working capital may be required if sales are lower or costs are higher than you anticipate. You should not plan to draw income from the operation during the start-up and development stage of your business, the actual duration of which will vary greatly from one Just Love Coffee & Café to

another, cannot be predicted by us for your Just Love Coffee & Café, and may extend beyond the first month of its operations. We urge you to retain the services of an experienced accountant or financial advisor to develop a business plan and financial projections for your particular operation. The franchise disclosure laws require us to include this estimate of all costs to operate your franchise during the “initial phase” of your business, which is defined as the period from signing the Franchise Agreement to one month after you open for business, or a longer period if “reasonable for the industry.” We are not aware of any established longer “reasonable period” for our industry, so our disclosures cover a three-month period (including one month after the Opening Date).

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you are not obligated to purchase or lease from us or our affiliates, our designees or suppliers approved by us, or under our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate relating to the operation of your Just Love Coffee & Café. The Franchise Agreement restricts the sources of products and services you utilize in establishing and operating a Just Love Coffee & Café in three ways. Some items can be purchased only from us or our affiliates, some only from suppliers we have approved, and others only in accordance with our Specifications and System Standards.

Purchase Restrictions. You must develop and operate your Just Love Coffee & Café according to our System Standards. The System Standards may regulate all of your operating purchases and capital expenditures for your Just Love Coffee & Café. Our System Standards regulate the food and beverage products used in production and offered for sale, consumer disposables, dining room, take out, catering, kitchen and operating supplies, and fixtures, furnishings, equipment, services, signs, marketing materials, other inventory and merchandise to be used in establishing and operating the Just Love Coffee & Café.

Purchase from Us or our Affiliates. We may designate goods or services you must purchase from us or our affiliates to establish or operate your Just Love Coffee & Café. These goods currently include all coffee beans, which must be purchased from us. We are the only approved or designated supplier of coffee beans and other coffee inventory we indicate as being required to be purchased from us. The taste, flavor and character of coffee beans vary. We reserve the right to control this critical, fundamental aspect of our brand, namely, the sourcing of coffee beans and other ingredients in our beverage offerings, which distinguishes the Just Love Coffee brand from other brands of premium coffee beverages. On an ongoing basis, we may require you to purchase from us or our affiliates any items, equipment, products or services we may designate.

Approved Suppliers. In order to maintain the quality and uniformity of the goods and services sold by all Just Love Coffee & Café businesses and the reputation of the brand, we may designate which fixtures, furnishings, equipment, supplies, inventory and other goods and services needed to establish and operate your Just Love Coffee & Café from suppliers we approve. We will provide a list of the designated and Approved Suppliers for the Products and Services required by us for use in your Just Love Coffee & Café. Based on our experience, we may modify the standards for Approved Suppliers. We will notify you in our Manual or other communications regarding our standards and specifications for approving and revoking approval of suppliers, including situations in which we may revoke approval. We include these requirements in our System Standards.

We or our affiliate may negotiate contracts with suppliers who serve as exclusive or Approved Suppliers to Just Love Coffee & Café businesses. We may require you to purchase or lease from us or our affiliates all of the goods and services we require you to use, and we or our affiliates may purchase such items from others and then require you to purchase them from us. We and our affiliates may receive revenues on the sale or lease of goods or services to you by us, our affiliates.

Some of our current Approved Suppliers include: Toast for the POS/Computer System, Prima Coffee for bar supplies, Mahlkonig for coffee grinders, Mazzer for coffee grinders, Chemex for coffee brewers, Brood for Nitro and Cold Brew, Escali for scales, Prima Coffee for bar supplies, Marco for coffee brewers, Golden Malted for waffle irons, PepsiCo for soda fountains, Total Resa for equipment and kitchen supplies, Marco for pour over brewers, La Marzocco for espresso machines, Sonos for audio equipment, Splash Radio for radio music, Total Resa for glassware and kitchen supplies, and blenders, Signs Unlimited for signage, Total Resa for espresso machines/grinders/coffee & tea equipment. No officer owns any interest in any approved supplier. Because we offer a premium coffee experience and specific flavor profile of our beverages, our Specifications identify certain equipment that produces finished products meeting our System Standards. Other equipment may qualify as a functional substitute for our specified equipment but may not produce the required flavor profile in the finished product. You must purchase from us your opening inventory of coffee beans and other supplies that will cost between \$6,000 and \$8,000. You must purchase the equipment specified above, which is available from Total Resa Restaurant Equipment. The coffee beans are commodities that may change in price with market fluctuations. The price of the equipment package may change if the manufacturers change their wholesale prices. These costs are estimates as of the Issuance Date.

Our only Approved Supplier for site selection assistance currently is The Retail Strategy, 3821 Juniper Trace, #205, Austin, Texas 78738; 512.494.4500. Unless, prior to signing the Franchise Agreement, you have entered a binding, written agreement to purchase or lease or you own a location for your site that we accept, you must engage The Retail Strategy to assist in selection of your Café location. Their fee is paid by us.

Our recommended supplier for architectural and engineering services and real estate and construction management currently is Lines, Inc., 7101 Sharondale Ct., Suite 400, Brentwood, Tennessee 37027; (615) 891-3098. You should engage Lines to assist in the planning and design of your Café location and directly pay its fee, which is currently between \$16,000 and ~~\$18,000~~\$20,000. Larger sites, prior occupancy and other potential variables could impact this price. We will be able to provide other recommendations for architectural and engineering services and construction management.

Product and Supplier Nominations. You may request our approval of (i) any item that is not listed as meeting our Specifications that would be a competent substitute for an item meeting our Specifications, (ii) the purchase of an item meeting our Specifications that but is not required to be purchased from an Approved Supplier, from a supplier that is not an Approved Supplier, or (iii) your nomination of an alternative supplier to be an Approved Supplier for an item we have designated to be sourced only from an Approved Supplier. You must first submit sufficient information, specifications and samples for our determination whether the item complies with Specifications, or the nominated supplier meets our Approved Supplier criteria. We do not charge a fee, but you must reimburse our expenses for reviewing supplier nominees and unapproved items for which you request approval. We may, in our sole discretion, choose not to review a nominated supplier or item any for any reason, including the projected cost of review. We may publish procedures for submitting requests for approval of items and suppliers and may impose limits on the number of nominated items and suppliers you may submit. Under our current procedure, within 45 days after receiving the requested information about the nominated item or supplier, we will

You must also obtain and maintain business interruption insurance and Workers' Compensation Insurance as required by the laws of your state. The cost of your insurance coverage will vary depending on the insurance carrier's charges, the terms of payment, and your insurance loss and claims history. Your landlord and lender may require additional coverages or higher limited. We recommend the Tucker Agency, LLC as the approved supplier for this service, 21 White Bridge Pike, Suite 201, Nashville, TN 37075, Will Tucker, 615-584-4051. You must name us as an additional insured on all liability policies and provide us with an insurance certificate before opening the Café and then annual before policy expiration showing that you have obtained the required insurance coverage and additional insured designations, as well as providing us with at least 30 days' prior written notice of cancellation, termination or non-renewal of any required insurance policy.

Your obligation to obtain and maintain the insurance policies that we require, in the coverage and limit amounts specified, will not be limited or offset in any way by reason of any insurance maintained by us, nor will your performance of that obligation relieve you of your liability under the indemnity provisions in the Franchise Agreement. If you fail to procure or maintain the insurance that we require, we may (but are not obligated to) obtain the required insurance on your behalf and charge the cost of obtaining the insurance to you, plus a reasonable administrative fee.

Rebates. We have an arrangement with our prime distributor that provides a contribution of \$.~~3550~~ per case of product delivered to our Cafés to defray the cost of our annual conventions and meetings. Other than that arrangement, we and our affiliates currently do not have any, but may initiate and execute in the future, rebate or sales commission programs or "Preferred Vendor" agreements with Approved Suppliers to Just Love Coffee & Café shops. We or our affiliates may negotiate with suppliers and manufacturers to receive rebates or commissions on certain items you must purchase to open and operate the Café. Our rebate programs may vary depending on the supplier and the nature of the product or service. Not every supplier will pay rebates to us. We help arrange purchase and leasing programs for the equipment, but do not guarantee your purchase or lease obligations.

Prospective suppliers and existing suppliers may provide us free samples of proposed products. Certain suppliers and manufacturers may pay us a rebate based on the amount of products ordered that may vary. We may require you to enter into agreements with approved or designated suppliers or distributors. We reserve the right to use such rebate monies or remuneration in any way we choose. Also, our affiliates earn profits on the sale of goods and services to us, and to franchisees.

Rebates and commissions from suppliers compensate us or our affiliates for our or their efforts to establish and maintain relationships with suppliers and distributors. While we may seek to establish supply relationships based on lowest, lower price, or other considerations, such as strategic marketing, strength of supplier, competitive pressures, and the like may influence our decisions to use and negotiate with those suppliers. We require that you participate in any mandatory supply chain programs we may establish.

During the fiscal year ending December 31, ~~2023~~2024, we received rebates of \$~~131,269,144,636~~ from required or approved suppliers. In ~~2023~~2024, our affiliates sold inventory totaling \$~~1,169,170,418,384~~ to franchised Cafés, or ~~59.51~~79% of our total revenues of \$~~1,965,950,179,186~~ for the fiscal year ending December 31, ~~2023~~2024.

Purchasing or Distribution Cooperatives. There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including prices), for the benefit of franchised and company/affiliate System Restaurants.

Material Benefits. We do not provide material benefits to you (for example renewing or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers. However, if you do not use Approved Suppliers or follow our System Standards to operate your Café, we may terminate your Franchise Agreement.

ITEM 9 FRANCHISEE’S OBLIGATIONS

FRANCHISEE’S OBLIGATIONS			
These tables list 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	Disclosure document item
a.	Site selection and acquisition/lease	Franchise Agreement (“FA”): Sections 2.1 and 4 and Exhibit A to the FA;	Items 7, 11 and 12
b.	Pre-opening purchase/leases to conform to disclosure purposes	FA: Sections 4, 5.3, 5.4, 11.7, 19.1 and 19.2	Items 5, 6, 7, 8, 11 and 16
c.	Site development and other Grand Opening requirements	FA: Sections 2.1, 4, 5, 7., 11.2, 11.4 11.7, 19.1, 19.2 and 19.3	Items 6, 7 and 11
d.	Initial and ongoing training	FA: Sections 3.4, 6.5, 6.6, 7 and 11.2	Item 11
e.	Opening	FA: Sections 5.1, 5.2, 5.3, 5.9, 7, and 12	Item 11
f.	Fees	FA: Sections 2.5, 3.1, 3.4, 3.5, 4.1, 4.2, 5.3, 6, 7.2, 11.1, 11.3, 11.7, 11.8, 12.1, 12.5, 12.6, 15.3, 17, 21.8 and Exhibit A and Exhibit B to the FA	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	FA: Sections 4, 5, 7.5, 9.1, 9.3, 12 and 13	Item 11
h.	Trademarks and proprietary information	FA: Sections 5.7, 8, 9, 11.1, 11.2, 12.8 and 17.4	Items 13 and 14
i.	Restrictions on products/ services offered	FA: Sections 2.5, 5.4, 5.5, 5.6, 5.7, 5.8, 11.1, 11.2, 11.7, 11.10 and 12.5	Items 11 and 16
j.	Warranty and customer service requirements	FA: Sections 5.7 and 11.17	None
k.	Territorial development and sales quotas	FA: Sections 2, 4.2 and Exhibit B to the FA	Item 12
l.	On-going product/service purchases	FA: Sections 5.4, 5.5, 6.10, 11 and 12	Item 8
m.	Maintenance, appearance and remodeling requirements	FA: Sections 3.1, 3.2, 5.1, 5.2, 5.3, 5.9, 5.10, 11.2 and 11.4	Items 11 and 17
n.	Insurance	FA: Sections 5.6, 5.9, 11.2 and 19;	Items 7 and 8

o.	Advertising	FA: Sections 7.3, 8.2, 8.6, 9.1, 11.2 and 12	Items 6, 7 and 11
p.	Indemnification	FA: Sections 8.9, 18.4 and 20.6; Conditional Assignment of Telephone Numbers and Listings (“CATNL”): Section 3	Item 6
q.	Owner’s participation/ management/staffing	FA: Sections 1.4, 5.6, 7, 11.1, 11.2, 11.12 and 11.13	Items 11 and 15
r.	Records and reports	FA: Sections 11.2, 11.6, 11.8 and 13	Item 11
s.	Inspections and audits	FA: Section 14	Items 6 and 11
t.	Transfer	FA: Section 15	Items 6 and 17
u.	Renewal	FA: Section 3	Items 6 and 17

FRANCHISEE’S OBLIGATIONS

These tables list 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	Disclosure document item
q.	Owner’s participation/ management/staffing	FA: Sections 1.4, 5.6, 7, 11.1, 11.2, 11.12 and 11.13	Items 11 and 15
r.	Records and reports	FA: Sections 11.2, 11.6, 11.8 and 13	Item 11
s.	Inspections and audits	FA: Section 14	Items 6 and 11
t.	Transfer	FA: Section 15	Items 6 and 17
u.	Renewal	FA: Section 3	Items 6 and 17
v.	Post-termination obligations	FA: Sections 9.3 and 17	Item 17
w.	Non-competition covenants	FA: Sections 10 and 17.7	Item 17
x.	Dispute resolution	FA: Sections 20.5-20.11	Item 17

FRANCHISEE’S OBLIGATIONS

These tables list your principal obligations under the Area Development 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 Area Development Agreement	Disclosure document item
a.	Site selection and acquisition/lease	Area Development Agreement (“ADA”): Sections 6, 7, 8	Items 7, 11 and 12
b.	Pre-opening purchase/leases to conform to disclosure purposes	N/A	N/A
c.	Site development and other Grand Opening requirements	N/A	N/A
d.	Initial and ongoing training	N/A	N/A

e.	Opening	N/A	N/A
f.	Fees	ADA: Section 5	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	N/A	N/A
h.	Trademarks and proprietary information	N/A	N/A
i.	Restrictions on products/ services offered	N/A	N/A
j.	Warranty and customer service requirements	N/A	N/A
k.	Territorial development and sales quotas	ADA: Section 3	Item 12
l.	On-going product/service purchases	N/A	N/A
m.	Maintenance, appearance and remodeling requirements	N/A	N/A
n.	Insurance	N/A	N/A
o.	Advertising	N/A	N/A
p.	Indemnification	ADA: Section 17	Item 6
q.	Owner's participation/ management/staffing	N/A	N/A
r.	Records and reports	N/A	N/A
s.	Inspections and audits	N/A	N/A
t.	Transfer	ADA: Section 16	Items 6 and 17
u.	Renewal	N/A	N/A
<u>FRANCHISEE'S OBLIGATIONS</u>			
<u>These tables list your principal obligations under the Area Development 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.</u>			
<u>Obligation</u>		<u>Section in Area Development Agreement</u>	<u>Disclosure document item</u>
v.	Post-termination obligations	N/A	N/A
w.	Non-competition covenants	ADA: Section 2	Item 17
x.	Dispute resolution	ADA: Sections 17, 22, 23, 24	Item 17

ITEM 10

FINANCING

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

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Just Love Coffee & Café Program.

Grand Opening Obligations: Before you open your Just Love Coffee & Café, we will:

1. Provide you with site selection guidelines, and review and accept or reject the proposed Site for your Just Love Coffee & Café. The site must meet our criteria for the location of a Just Love Coffee & Café, which includes a “core customer base” determined by us based on a myriad of factors, including, but not limited to, demographic characteristics including the traffic patterns, parking, character of neighborhood, and competition from and proximity to other businesses. Our criteria, and our evaluation of them, may vary periodically and from location to location. We will approve or disapprove a proposed site within 30 days after we receive all written information that we require to assess the proposed site. Within twelve months of signing the Franchise Agreement, you must find an acceptable site and sign a lease for the location on terms acceptable to us, or we may terminate the Franchise Agreement. We will provide site selection counseling and assistance, and on-site evaluations, as we consider necessary and appropriate.

(Franchise Agreement – Section 4.1)

2. Review and approve your Letter of Intent, lease, sublease and/or purchase agreement for the approved site for the Just Love Coffee & Café. We do not provide legal advice or serve as your real estate agent. (Franchise Agreement – Sections 4.3 and 6.10)

3. Provide you with prototype plans and specifications for your Franchised location. You must, at your expense, have the specific architectural and design plans and specifications, including requirements for dimensions, design, color scheme, image, interior layout, decor, fixtures, equipment, signs and furnishings, adapted for construction of the Just Love Coffee & Café by Lines, Inc., in accordance with our prototype plans and specifications. (Franchise Agreement – Section 4.3)

4. First approve your initial space plans in writing (which may be through an e-mail) and then approve your final architectural plans, construction plans and specifications through a Certificate of Approval. (Franchise Agreement – Section 4.3)

5. If you and we have not already agreed upon a location for your Just Love Coffee & Café before signing the Franchise Agreement, we will provide you with assistance in selecting a Site, assist you in coordinating with The Retail Strategy and evaluating their recommendations. In general, we expect that most franchisees will lease, and not own their Site. In general, we do not expect to own and lease a Site to you. We do not select your Site. We approve an area in which you select a Site and grant our approval of it. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other Just Love Coffee & Café businesses, the nature of other stores in proximity to the Site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed Site. If you have not done so prior to signing the Franchise Agreement, you must select a Site and submit it to us for approval within six months of signing the

Franchise Agreement. We will approve or disapprove a Site you propose within 30 days after we receive the materials we request regarding your preferred location. If we cannot agree on a Site, we can terminate the Franchise Agreement. (Franchise Agreement – Section 4.1 and 16.2(k)).

6. We provide you guidance on the number and types of employees, and how to train them to ensure your Just Love Coffee & Café complies with our System. We are not responsible for hiring your employees. We may impose fees if franchisees solicit another franchisee’s employee(s). (See Item 6) We may choose to mediate or resolve disputes among franchisees on a voluntary and informal basis. (Franchise Agreement – Section 5).

7. Identify any other fixtures, equipment (including facsimile machines, telephones, and computer hardware and software), music (including a satellite radio subscription), and any miscellaneous office supplies, equipment or materials necessary for your Just Love Coffee & Café to begin operations, and the minimum standards and specifications that must be satisfied and the suppliers from which these items may be purchased or leased (including us and/or our affiliates). We provide this information in writing and through verbal instruction in Training. (Franchise Agreement – Section 5).

8. Loan you one copy of the Manual or at our discretion, make it accessible to you on-line via Internet, Intranet or electronic media. The Manual is confidential and remains our property during and after the term of the Franchise Agreement. (Franchise Agreement – Section 11.1).

9. Provide to you the initial training described in detail later in this Item. We are not responsible for hiring your employees or training them on daily or routine matters not related to the System. (Franchise Agreement – Section 7).

10. We will provide a schedule of all products, furniture, fixtures, supplies, equipment and services required for your Just Love Coffee & Café (Franchise Agreement – Section 5.1). We will provide a list of the designated and approved suppliers for the Products and Services required by us for use in your Just Love Coffee & Café (Franchise Agreement – Sections 5.4 and 5.5).

11. If you lease equipment we designate as being required to be purchased from us or our affiliates, we or our affiliate, will sell that equipment to a third-party leasing company who will lease it to you. We currently do not require you to lease equipment from us or our affiliates. But, we do require you to purchase certain inventory items from us, like coffee. (Franchise Agreement – Sections 5.4 and 5.5)

12. Provide you with the recommended Grand Opening Program to assist you in introducing the Just Love Coffee & Café brand. We will review your suggested modifications, if applicable, to the Grand Opening Program and reserve the right to approve or reject such modifications. (Franchise Agreement – Section 5.12)

Except as set forth above, we have no obligation to provide assistance to you regarding conforming the Site to local ordinances and building codes and obtaining any required permits, constructing, remodeling or decorating the premises, hiring and training employees, providing for necessary equipment, signs, fixtures, opening inventory and supplies.

Time To Opening. We estimate that there will be an interval of approximately 6 to 12 months between the signing of the Franchise Agreement and the signing of your lease and/or the opening of your Just Love Coffee & Café, but the interval may vary based upon many factors that may include among them, your ability to get any bonds required by local law, the location and condition of the Site, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. The low range of time to opening assumes you are taking over an existing space with minimum build-out or remodel needed. Unless we grant an extension, we require you to find and obtain our approval of a Site within 12 months after you sign the Franchise Agreement.

You may not open your Just Love Coffee & Café for business until: (1) we approve your Just Love Coffee & Café as developed according to our specifications and standards; (2) Grand Opening training of you and your personnel has been completed to our satisfaction; (3) the Franchise Fee and all other amounts then due to us have been paid; (4) we have approved the manager of your Just Love Coffee & Café and you have demonstrated that the conditions of the Franchise Agreement have been met; (5) we have been

the Just Love Coffee & Café; and number and type of competitors in close proximity. Site visits by us are at our discretion.

If you lease the Site from a third party, or purchase the Site, we first must approve the lease, financing and/or purchase documents that you will sign. We require that they contain certain provisions that are designed to protect our rights. These required terms generally protecting our rights under the Franchise Agreement, our ability to possess the Site if you violate any of your obligations to us, and your right to occupy the Site and operate the Just Love Coffee & Café without interference by lenders and mortgage holders. Any person who is related to or affiliated with you or one of your owners, directors, officers or other principals, and who plans to lease the Site to you or own or obtain financing for the Site, must agree to be bound by these provisions. The terms we require that you include in your lease also allow us to take possession of the Site if you violate the lease or any obligation to us under the Franchise Agreement or any other agreement with us. You still will be responsible for all lease obligations covering the time before we take over. If you and the landlord for the Site are or become related in ownership or control, and we eventually take over the Site, any lease will be amended to be the same length as the Franchise Agreement, to be consistent with commercially reasonable “triple-net” leases being signed in your metropolitan area and to reflect the Site’s fair market rental value in your metropolitan area.

System Development Fund. Franchisee contributions to the System Development Fund (“**System Development Fees**”) will generally be on a uniform basis, but we reserve the right to defer or reduce contributions of a franchisee and, upon 30 days’ prior written notice to you, to reduce or suspend contributions to and operations of the System Development Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the System Development Fund. You are required to pay to the System Development Fund the System Development Fees in the amount of up to 3% of your Gross Sales (currently, 2% of your Gross Sales). Some of our initial franchisees may pay lower amounts and we may phase in their commencement or any increase of System Development Fees. We will direct all programs financed by the System Development Fund, with sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The System Development Fund may be used to pay administrative costs, the costs of franchise owner conferences, preparing audio and written advertising and marketing materials; menu development, developing and servicing corporate accounts; engaging in research and development; administering regional and multi-regional advertising programs; purchasing e-commerce rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems, the Business Management System and the like; supporting public relations and market research; establishing, developing, maintaining, modifying, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities. The System Development Fund may, at our option, use an in-house advertising department or any local, national or regional advertising agency we choose. The System Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. (Franchise Agreement – Section 12).

The System Development Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Development Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the

System Development Fund. We may spend, on behalf of the System Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Just Love Coffee & Café businesses to the System Development Fund in that year, and the System Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies

contributed to the System Development Fund will be used to pay advertising costs before other assets of the System Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the System Development Fund and furnish the statement to you, within 120 days following the end of the current calendar year, upon written request. The System Development Fund is not audited. We may use monies from the System Development Fund for the preparation of materials and costs intended to be used solely for franchise sales solicitations. We have the right to cause the System Development Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and the successor entity will have all of the rights, benefits, obligations and duties described in the Franchise Agreement. (Franchise Agreement – Section 12).

The System Development Fund is intended to maximize recognition of the Marks and patronage of Just Love Coffee & Café shops. Although we will endeavor to utilize the System Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Just Love Coffee & Café shops, we undertake no obligation to ensure that expenditures by the System Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Development Fund by Just Love Coffee & Café shops operating in that geographic area or that any Just Love Coffee & Café will benefit directly or in proportion to its contribution to the System Development Fund from the development of advertising and marketing materials or the placement of advertising. We assume no other direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the System Development Fund. We currently do not have sufficient data to disclose what percentage of the System Development Fees may be used for direct franchise sales. (Franchise Agreement – Section 12).

We are not required to spend any specific or minimum amount in your franchise area or territory. We do not assure, and you cannot expect, that you will receive benefits from the System Development Fund that are proportionate to your System Development Fees.

During the fiscal year ending December 31, ~~2023~~2024, System Development Fees were used in the following manner:

Reimbursement Expense/Other (we may reimburse franchisees for certain expenses we approve)	0%
Production	38%
Media Placement	0%
Administrative Expense	56%
Other	6%

Your Local Advertising. You must spend monthly for approved local advertising and promotion of your Just Love Coffee & Café an amount not less than ~~\$1,000~~2,000 per calendar month. At our discretion, we may collect these monies from you and place the advertising on your behalf. We may, in our sole discretion, charge up to a 15% administrative placement fee for doing so. We may review your books and records relating to your expenditures for such advertising and promotion. (Franchise Agreement – Section 12.7).

All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved must be submitted for approval before you use them. If you do not receive

written disapproval within 30 days after we receive the materials, we will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have not approved. (Franchise Agreement – Section 12.5).

Local Advertising Association (Cooperative). If a local advertising association is established, you will be required to contribute to it an amount determined by that local advertising association up to 2% of your Gross Sales per calendar year. We expect that if a cooperative is formed, there may be written governing documents to review, it will provide annual or periodic financial statements, will likely be operated by the cooperative or a hired advertising agency. We have the right to require the association to be formed, changed or dissolved. We will permit you access to the payment and expenditure records of any association to which you contribute. Our affiliates' outlets are not obligated to participate on an equal basis. We do not have a defined area for the cooperatives. We reserve the right to designate or approve how its area or membership is determined. We can designate or approve who is responsible for administrating the association. We can require that it be operated via written governing documents. They may vary based on industry standards for the media selected. Any contributions paid to a local advertising association will be deducted from your local advertising requirement. (Franchise Agreement - 12.6).

Advertising Councils. We may, at our discretion, form a Marketing Advisory Panel to be made up of approximately five Franchisees and representatives from the Home Office operations and marketing teams that advise us on advertising policies and marketing initiatives.

Grand Opening Program. We will provide a recommended Grand Opening Program to assist you in introducing the Just Love Coffee & Café brand to your local market during the period that is at least 30 days prior and 30 days following the opening date of your Just Love Coffee & Café (or such other period as we may prescribe in the Manual). The goal of the Grand Opening Program is to assist you in building strong sales and developing a loyal clientele, but there is no guarantee that it will do so. You must review the recommended Grand Opening Program, modify the program, and submit it to use for approval no later than 30 days before your Just Love Coffee & Café is scheduled to open. We will approve, reject, or further modify your proposed Grand Opening Program within 10 business days of receipt of your plan. If we do not approve the plan within that time period, your plan will be deemed to be disapproved, and you must follow up with us.

You must spend a minimum of ~~\$5,000~~ 10,000 (but may be required to spend additional monies as determined by us if we determine doing so is necessary) for a Grand Opening Program for your Just Love Coffee & Café. You may spend more than the minimum amount that we require. The Grand Opening Program and grand opening advertising will consist of a variety of advertising campaigns, meetings with potential customers, social media promotion, participation in local events, and public relations, marketing and advertising initiatives intended to publicize the opening of the Just Love Coffee & Café. Other amounts that you spend on Grand Opening and grand opening advertising do not count towards any other advertising obligations you have under the Franchise Agreement.

Computer Systems and POS System. You must buy and install the computer hardware, software, printers, and communications equipment and services we designate or approve (collectively the “**Computer System**”). Your Computer System must allow you to access the internet at the speed we require from time to time. You will have sole responsibility for the acquisition, operation, maintenance, and upgrading of the Computer System. You must use the Computer System for on-line reporting of sales, keeping customer information, and reporting other information to us as required under the Franchise Agreement.

and patches as provided by them. We also provide support in the form of advice with using and maintaining the system on an as-needed basis. You are responsible for hardware repairs or replacement of systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation.

We may also require you to purchase certain security services, including Payment Card Industry (“PCI”) compliance support services, and system administration and monitoring protection. Your additional costs for these security-related services will vary as requirements or suppliers change over time.

You will have a contractual obligation to upgrade or update your computer hardware and software programs for your Computer System during the term of the Franchise Agreement as required by us. So, you must update or upgrade the Computer System, as we require at any time during the term of the franchise. There is no contractual limitation on the frequency or cost of this obligation, although we estimate that expenditures for Computer System upgrades or updates will generally not exceed \$3,000 per year.

We do not have to reimburse you any Computer System costs. You must maintain your Computer System and keep it in good repair. We estimate that the cost of optional or required maintenance, updating, upgrading or support contract will be between \$500 and \$3,000 per year. While we provide an estimate of the annual cost of any maintenance, updating, upgrading, or support contracts, there is no contractual limit on the frequency or cost of your obligation to upgrade or update the Computer System.

You must, at your own expense, maintain, upgrade, or replace other systems and equipment which you use in connection with the operation of the Just Love Coffee & Café, including firewall systems, audio visual entertainment, security camera systems and WiFi/Bluetooth systems. There are no contractual limitations on the frequency or cost of your obligation to maintain, upgrade or replace these systems and equipment.

Internet Website. We have established and maintain an Internet website at the uniform resource locator (currently, www.justlovecoffee.franchise.com that provides information about the System and Just Love Coffee & Café shops (the “Website”). We may enhance our Website to include a series of interior pages that identify Just Love Coffee & Café shops by address and telephone number. We may (but are not required to) include at the Website an interior page containing additional information about your Just Love Coffee & Café. If we include your information on the Website, we have the right to require you to prepare all or a portion of the page, at your expense, using a template that we provide. All information is subject to our approval before posting. (Franchise Agreement- Section 12.8)

We will have sole discretion and control over the Website’s design and content. We have the sole right to approve any linking to, or other use of, the Website. We have no obligation to maintain the Website indefinitely but may discontinue it at any time without liability to you. Furthermore, as we have no control over the stability or maintenance of the Internet generally, we are not responsible for damage or loss caused by errors of the Internet. (Franchise Agreement- Section 12.8)

We also may establish and maintain one or more social media sites (e.g., www.twitter.com, formerly “Twitter”; www.facebook.com; www.instagram.com; www.pinterest.com, or such other social media sites). You may not establish or maintain any social media sites utilizing any user names, or otherwise associated with the Marks, without our advance written consent. We may designate from time to time regional or ~~territoryspecific~~territory-specific user names/handles that you must maintain. You must adhere to the social media policies that we establish from time to time and must require your employees to

do so as well. Use of social media, including any pictures that may be posted on, using or through one or more social media sites, must be in compliance with our Manual and System Standards, including our take-down policies. You are responsible for ensuring that all of your managers, trainers, sales associates and owners comply with our social media policies.

(Franchise Agreement- Section 12.8)

You and your employees will not be allowed to establish or operate any website for your Just Love Coffee & Café or establish or participate in any Just Love Coffee & Café related blog or other discussion forum without our prior written consent. (Franchise Agreement- Section 12.8)

Table of Contents of Operating Manual. The table of contents of our 162-page Manual as of the date of this Disclosure Document is attached as Exhibit I.

Training. After you sign the Franchise Agreement and pay the initial Franchise Fees, before the

Just Love Coffee & Café opens, we will provide initial training for a maximum of 21 days (“**Initial Training**”) known as our “CoffeeU” training process. You and your store manager must, and up to 2 additional persons may, complete the Initial Training, which comprises the following:

Owner/Manager Training. As part of the Initial Training, at least 2 key personnel, who will have day to day responsibility in operations of the Café, must come to Nashville, Tennessee, or other designated training location, for hands on training for 9 days. These 2 key people must finish Expand Share before coming for training. Owners/managers must complete 10 hours of video conference training. Subjects include Welcome/Information Packet, Employees, Training Employees, Labor, Food Cost, Money, Safety, Sanitation/Maintenance, Toast, Customer Service/Just Love Culture. The video training can be scheduled before or after the 9-day hands on training.

Brand Standards and Concept Training. Another 4 days of informal training will take place after opening while the Opening Training Team is present at your Just Love Coffee & Café. We may substitute any of these training days at your Just Love Coffee & Café, our headquarters or with training at another Just Love Coffee & Café. We will also provide general sales training for up to 4 employees (“**Brand Standards and Concept Training**”). Brand Standards and Concept Training is designed to familiarize those Just Love Coffee & Café employees with our operating and sales culture and the Just Love Coffee & Café’s business. (Franchise Agreement- Section 7). Brand Standards and Concept Training generally takes place 1 to 3 weeks before you are scheduled to open.

Grand Opening/Opening Training Team. We also provide you with an “**Opening Training Team**” for a time that we may designate (up to 7 days) to assist you with the opening of your Just Love Coffee & Café. All employees must complete all Expand Share videos applicable to their respective jobs before the Just Love Coffee & Café can open. Currently, the Opening Training Team is provided for at least 5 days of Grand Opening with at least one trainer/Opening Training Team member. We may require additional Opening Training Team members or additional days, and if you request additional days or Opening Training Team members, we charge our then current additional opening expenses. This Opening Training Team serves the dual role of assisting you and providing additional training. We require you to, at your expense; provide on-site meals and beverages for the Opening Training Team plus all their travel and living expenses. We are not required to provide an Opening Training Team or other on-site training to you if you are a transferee of an existing Just Love Coffee & Café. You are responsible for additional Opening Training Team travel, lodging and meal expenses, plus out of pocket training expenses.

Subject	Hours of Classroom Training	Hours of On- The-Job Training	Location
Coffee Training	0	40	Nashville stores
Kitchen Training	0	40	Nashville stores
Expand Share Videos	5	0	Nashville stores
TOTAL	5	80	

We are constantly in the process of evaluating and improving our training programs so they may change at any time.

All initial training or any additional or mandatory will be offered as often as we deem necessary, and will be held in Nashville, Tennessee or at another location designated by us.

We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. There currently are no fixed (i.e., monthly, or bi-monthly) training schedules. Training days may be up to 8 hours in length. Our initial training program will include classroom and on-the-job instruction on topics selected by us. The hours of classroom or on the job training overlap and the subjects are not distinctly separated during training.

In ~~2023~~2024, none of our franchisees received mandatory additional training.

In addition to our training program, we may establish and currently have System Standards which may require Just Love Coffee & Café shops and their owners to join the International Franchise Association, various coffee related organizations, and attend their training programs which we may designate as mandatory for franchisees.

Explanatory Notes to Training Chart

1. Our training is supervised by our Senior Director of Operations & Development, Jessi Harding. Other employees of ours or an affiliate may also assist in training. Instruction materials include our Confidential Manual. You may be provided additional training materials at our discretion. Our training schedule for each Owner and another key person includes 38 hours of classroom instruction and 73 hours of on-the-job training, to be conducted over a two-week period. The actual number of hours and the period for completion of training for each attendee may depend on several factors, such as the prior education, experience, and diligence of the attendee.

2. Jessi Harding has over twenty-five years of training and operations experience in the food and beverage industry and one year of experience with us.

3. Erica Scott will assist with training in franchise operation and development. Erica has over five years of operational and training experience training personnel in the food and beverage industry and one year of experience with us.

4. Initial Training is provided to an Owner, the Café’s Manager and up to a total of two additional staff (a total of four persons) at no additional cost to you. You must pay the compensation, benefits, taxes, travel expenses and other expenses for all persons who attend training on your behalf. You and your Cafés Manager must successfully complete the training program before you open your Just Love Coffee & Café.

5. After you and your Manager and up to two other persons have successfully completed the training program, we will arrange for a Trainer to assist you with opening your Just Love Coffee & Café. For up to seven days the Trainer assists Grand Opening initial training (during Grand Opening) implementing and training your employees in using the System at your Just Love Coffee & Café.

6. Generally, the opening of your Just Love Coffee & Café will take place within six to 12 months after you sign the Franchise Agreement. Factors which will affect your opening date include selecting and acquiring the location for your Just Love Coffee & Café, remodeling or constructing your business premises, obtaining the required licenses, the delivery of your furniture, fixtures and equipment, acquiring inventory and supplies, obtaining financing (if applicable), hiring and training your employees, and completing the training program. You must obtain written approval from us to open your Just Love Coffee & Café.

7. You, your Manager and/or previously trained and experienced Managers must attend any periodic refresher training courses that we or our designees provide from time to time and pay the applicable fees, or that may be obtained from hospitality industry providers. You also will have to pay us for training new Managers first hired after the Just Love Coffee & Café's opening. The employee training program must be conducted by trainers that we have approved who have also satisfactorily completed our training. When training is onsite, you must provide an alternative training facility acceptable to us if we believe that construction or other distractions prevent us from satisfactorily performing the training on premises. Currently, we charge \$500 per trainee and \$1,000 per trainer per day, plus the trainer's travel and living expenses, for additional or periodic training at or near the Café.

ITEM 12

TERRITORY

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.

Just Love Coffee & Café Program.

Site. The franchise is granted for a specific location address that first must be approved by us (the "Site"). The Site will be located in a "**Primary Area.**"

Primary Area. As long as you are in compliance with the Franchise Agreement, we will not grant a franchise for, nor ourselves operate, a Just Love Coffee & Café from a fixed location within your Primary Area. Other than your right to operate a Just Love Coffee & Café at the Site we approve within the Primary Area, we do not grant you any territorial rights whatsoever. Unless otherwise negotiated with you when the parties sign the Franchise Agreement, your Primary Area will be a geographic area we determine to be within a 5-minute driving distance radius from the Site, which we determine in our sole discretion using mapping methods we designate. The shape of a 5-minute driving distance geographic area is irregular, does not contain a minimum number of persons or businesses, and may vary due to available information on road conditions, traffic congestion and other factors. In high density urban areas, we may determine a Primary Area by using walking distance, foot traffic patterns, mass transit access points, zip codes or other factors we deem relevant in our sole discretion.

Factors that influence our grant of a Primary Area if different from a geographic area we determine to be within a 5-minute driving distance radius from the Site, include the proximity of the Site to high population density, mass transit, shopping centers, business parks, industrial parks, transportation terminals,

Any such chain and we may use or share common systems, technology, marketing, support systems, personnel and other infrastructure resources.

Territorial Disputes Among Franchisees. We have no contractual obligation to resolve disputes among franchisees. Our current policy is that we may exercise what we believe to be appropriate efforts to resolve any conflicts which arise in our System concerning our distribution activities, or involving territory, customers, or support. We may impose fees or fines to resolve territorial disputes if they involve breaches of our System Standards. If you have a conflict, you should contact our compliance department at alan@justlovecorp.com for independent review and decision. Conflict issues will be addressed on a case-by-case basis.

There are no restrictions on customers to whom you may sell, and all sales must be made at your Just Love Coffee & Café. You may not sell any goods or services from or to any location other than your Just Love Coffee & Café.

We can solicit and accept orders for Alternative Channels of Distribution from within your territory (Primary Area).

ITEM 13

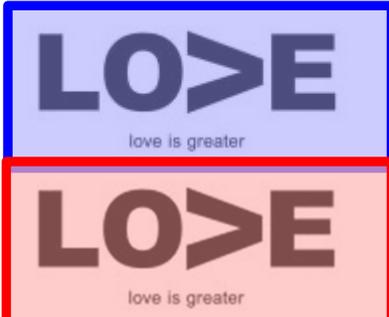
TRADEMARKS

Trademarks. The Franchise Agreement grants you the right to use certain trademarks, service marks and other commercial symbols in operating a Just Love Coffee & Café. The primary trademarks we use are the “JUST LOVE®” and other names, logos, symbols, and associated designs and trade dress defined previously as the Marks. You must use and we require you to use the Marks in operating your Just Love Coffee & Café. You may not use any other marks or branding to identify your Café.

The Marks and registrations below were assigned to Parent effective as of May 18, 2019. We are granted a worldwide license of the Marks and System with the exclusive right to franchise the Marks and the System for 50 years. We are obligated to assure that all sublicensees comply with quality standards set by Parent. The trademark license agreement can be terminated by Parent only if we breach the agreement and fail to cure the breach within 60 days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws, and such involuntary case continues for more than 90 days after its initial filing without dismissal. At termination of the trademark license agreement, we are obligated to assign to Parent all license, franchise and sublicensing agreements which we have entered into for the use of the Marks and the System, which shall continue in full force and effect until the expiration of the terms then in effect. If such an assignment occurs, Parent will not assume any liabilities that pre-date the assignment, for which we will remain liable.

Trademark Registration. As indicated below, our predecessor registered the following Marks on the Principal Register of the United States Patent and Trademark Office (the “PTO”):

MARK	STATUS	REGISTRATION NUMBER	REGISTRATION DATE	CLASS
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	Registered	5636578	December 25, 2018	IC 043 US 100, 101
	Registered	6754994	June 7, 2022	IC 035 US 100, 101,102
<u>MARK</u>	<u>STATUS</u>	<u>REGISTRATION NUMBER</u>	<u>REGISTRATION DATE</u>	<u>CLASS</u>
	Common law	N/A	N/A	N/A

There are no currently effective material determinations of the PTO, the Trademark Trial and

Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringements, cancellation or opposition proceedings or material litigation, involving the Marks. No affidavits or renewal applications have become due and are yet to be filed.

Use of the Marks. You must follow our rules when you use the Marks. You cannot use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols (except for those we license to you). You cannot use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing.

Infringements. You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any rights in any Mark, and you may not communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We have sole discretion to take any action (including no action) as we deem appropriate and the right to control exclusively any litigation, PTO proceeding or any other administrative proceeding arising from such infringement, challenge or claim or otherwise relating to any Mark. You must sign any instruments and documents, provide such assistance and take any action that, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks. While we may choose to do so, we are not required to protect your right to use the Marks, or protect you from claims of infringement or unfair competition arising out of your use of the Marks. The Franchise Agreement does not require us to defend the Marks or to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed to you by us or if the proceeding is resolved unfavorably to you.

We are not aware of infringing users of our Mark.

Changes to the Mark. If it becomes advisable at any time in Parent's or our sole discretion for us and/or you to modify or discontinue the use of any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. If so, we will reimburse you for your reasonable direct expenses of changing the Just Love Coffee & Café's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

Other than as described above, we do not actually know of either superior prior rights or infringing uses that could materially affect your use of our principal trademarks in any state.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise that are owned or licensed by us. Neither we nor our affiliates have any pending patent applications that are material to the franchise.

We claim copyright protection and proprietary rights in all copyrightable aspects of the System, including our Operations Manual, our website, correspondence and communications with you or other franchisees relating to the System, training, advertising and promotional materials and other written materials used in operating a Just Love Coffee & Café.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements currently in effect that limit our right to use and/or authorize franchisees to use the copyrighted materials. There are no infringing uses actually known to us which could materially affect use of the copyrighted materials in any state. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when in the best interest of the System. We need not participate in your defense and/or indemnify you for damages or expenses in proceedings involving a copyright.

The Operations Manual and other materials and information we may give you access to contains our confidential information that we treat as trade secrets. This information includes, but is not limited to, methods, formats, specifications, formulas, product and service offerings, standards, procedures, sales and marketing techniques, knowledge of and experience in developing and operating Just Love Coffee & Café shops, knowledge of specifications for and suppliers of certain fixtures, equipment, materials and supplies, and knowledge of the operating results and financial performance of Just Love Coffee & Café shops. You and your owners must not communicate or use our confidential information for the benefit of anyone else during the term of the Franchise Agreement. After the Franchise Agreement terminates or expires, you and your owners may no longer use the confidential information and must return it to us. We may require your employees, independent contractors or agents to sign a form of nondisclosure and non-competition agreement. We may regulate the form of agreement that you use and may require that we be made a thirdparty beneficiary of that agreement with independent enforcement rights.

If you or your owners develop or learn of any new ideas, concepts, processes, techniques or improvements relating to the operation or promotion of your Just Love Coffee & Café, you must promptly notify us and disclose to us all necessary information about such ideas, concepts, processes, techniques or improvements, without compensation. These ideas, concepts, processes, techniques or improvements will be assigned to us as our property, to become part of the System. You and your owners must sign whatever documents we request to convey ownership to us and to assist us in securing intellectual property rights and protection in such ideas, concepts, processes, techniques, or improvements.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under any Franchise Agreement, continuously exert your best efforts to promote and enhance Just Love Coffee & Café Businesses and not engage in any other business or activity that conflicts with your obligations to operate your Just Love Coffee & Café in compliance with the Franchise Agreement.

Either you, or one (1) of your principal owners (with ownership of at least 20% of your governance rights if you are a business organization (like a corporation, limited liability company or limited partnership)) (a “**Business Entity**”), ~~or~~ has to be actively involved in the day-to-day operation of the business. Any person you authorize as a manager of your Just Love Coffee & Café must meet our qualifications and pass our training for Just Love Coffee & Café managers and participate personally in the direct (active) operation of your Just Love Coffee & Café (“**Business Manager**”).

Our current qualifications for Business Managers are: (i) have a sufficient amount of experience to demonstrate to us that he/she is capable of managing a Just Love Coffee & Café; (ii) have management responsibility and authority over the Just Love Coffee & Café on a day-to-day basis; (iii) be actively employed on a full-time basis to manage Just Love Coffee & Café operations; and (iv) satisfactorily complete our Initial Training program and any other training programs we require during the term of your Franchise Agreement.

We require your equity owners and employees to sign Confidentiality and Non-Solicitation and

Non-Competition Agreements with you that lists us as a third-party entity. You will need to have these prepared by your attorney and insure that they impose the same restrictions as are provided under the Franchise Agreement.

If you are a Business Entity, your equity owners must personally guarantee the Business Entity's obligations to pay and perform under the Franchise Agreement, maintain confidentiality, and comply with certain covenants regarding Competitive Business activity. The form of "**Principal Owner's Guaranty**" is attached as Exhibit F to the Franchise Agreement. We require you to complete and submit to us a "**Principal Owner's Statement**" in the form attached as Exhibit F to the Franchise Agreement, describes all of your owners and their interests in the Business Entity, when you sign and deliver the Franchise Agreement.

We have the right to modify System Standards to enhance and maintain the competitiveness of the Just Love Coffee & Café brand, improve the customer experience, enhance operating efficiencies and for other business reasons, including changes to accommodate regional or local variations. We may grant waivers, delays or further changes to these modifications, and any such modifications may obligate you to effect modifications, renovations or other changes to your Just Love Coffee & Café ("**Capital Modifications**") and/or incur higher operating costs; provided, however, that you will not be required to implement such modifications will not: occur within 12 months after the effective date of your Franchise Agreement. We will not require you to spend more than 25% of your total initial investment in your Café, as shown on your financial statements, during the initial term of your Franchise Agreement to comply with Capital Modifications. We will give you 30 days to comply with Capital Modifications. If a Capital Modification requires an expenditure of more than \$5,000, we will give you 60 days to comply. Capital Modifications are in addition to costs you incur to repair, replace, or refurbish your equipment and fixtures. In addition, Capital Modifications do not include expenditures you are required or choose to make to comply with applicable laws, governmental rules or regulations (e.g., ADA compliance).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and use all products, and perform all services, that we require from time to time for Just Love Coffee & Café shops. You may not offer for sale or use any products or perform any services that we have not authorized in the Manual or otherwise in writing. Our System Standards may regulate required or authorized products, product categories, services, and supplies. We have the right to change the types of required and/or authorized goods and services from time to time. Other than limits imposed by applicable laws, there are no limits on our right to do so.

We do not impose restrictions or limitations on your access to customers other than marketing, off premises delivery and catering outside your Primary Area. We prohibit or limit your use of Alternative Channels of Distribution. If we require you or you volunteer to participate in a limited time offer, you must comply with the time schedule, terms and conditions of the offer. We may designate maximum and minimum retail prices for Products and Services to the extent permitted by governing law.

The term "Ancillary Business Operations" means business activities that we periodically specify as being ancillary and optional to the main business of the Just Love Coffee & Café, those which we must approve, and those which independent contractors (rather than a Just Love Coffee & Café employee) may traditionally perform. Ancillary Business Operations include activities like live music, painting classes or art classes. We may specify in the Manual and periodically modify those business activities that will be Ancillary Business Operations. "Core Business Operations" means all business activities of or associated with the Just Love Coffee & Café that are not Ancillary Business Operations. Core Business Operations include activities like the Just Love Coffee & Café's retail sales and on-site sales and service of coffee and tea, as well as related food items we designate or approve. Your Just Love Coffee & Café must offer or perform (as applicable) all Core Business Operations, as we periodically modify them.

You and your employees must perform all Core Business Operations at the Just Love Coffee & Café, and you may not contract with or allow any third party, including any licensee, lessee, consultant or other independent contractor (a “Contractor”), to perform any Core Business Operations. You must periodically at our request provide us information concerning your Just Love Coffee & Café’s Core Business Operations, Ancillary Business Operations and relationships with Contractors.

At your option, but subject to our prior written approval and your compliance with all terms and conditions of the Franchise Agreement, you may (i) allow one or more Contractors to perform any or all of the Ancillary Business Operations, provided that they may not use the Marks when doing so and that you enter into an arm’s-length commercial relationship with each Contractor; or (ii) perform any or all Ancillary Business Operations yourself (through your employees), either under the Marks or under any trademark, service mark or trade name other than the Marks (“**Other Mark**”) that you own or license from a third party (an “**Ancillary Trademark Licensor**”). As a condition to obtaining our approval:

1. You must first submit to us all agreements and other documents evidencing the relationship between you and each Contractor or Ancillary Trademark Licensor with respect to any Ancillary Business Operations and promptly notify us of any changes in the terms of your relationship with any Contractor or Ancillary Trademark Licensor;

2. You and each Contractor or Ancillary Trademark Licensor must sign the agreements and documents we periodically specify to protect our rights in the System, Confidential Information and the Marks;

3. If a Contractor performs the Ancillary Business Operations, you and the contractor must have an arm’s-length commercial relationship with economic and other terms that are standard in the industry for similar relationships involving unrelated parties; and

4. If a Contractor performs the Ancillary Business Operations or you perform the Ancillary Business Operations under Other Marks, such Ancillary Business Operations must not use or display the Marks in any manner, must be clearly distinguishable from your Just Love Coffee & Café’s other operations, and must be clearly identified in the manner we periodically specify as an independently owned and operated business separate from the Just Love Coffee & Café.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Franchise Agreement

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 Disclosure Document.		
Provisions	Section in franchise or other agreement	Summary
(a) Length of the Franchise Term	Franchise Agreement (“FA”): Section 2.3	10 years beginning on your “Opening Date.” Your Opening Date is the date you are approved to open your Just Love Coffee & Café for business. See Section 5.1 of the FA.

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 Disclosure Document.

Provisions	Section in franchise or other agreement	Summary
(a) <u>Length of the Franchise Term</u>	<u>Franchise Agreement (“FA”): Section 2.3</u>	<u>10 years beginning on your “Opening Date.” Your Opening Date is the date you are approved to open your Just Love Coffee & Café for business. See Section 5.1 of the FA.</u>
(b) Renewal or extension of the term	FA: Section 3	If you are in good standing, you can acquire three (3) successor franchises for additional ten (10) year terms on our then current terms and conditions.
(c) Requirements for you to renew or extend	FA: Section 3	You must: maintain the Site or secure substitute Site; bring Just Love Coffee & Café into compliance with our then current specifications and standards; sign new Franchise Agreement and ancillary agreements, general releases and agreement not to sue; satisfactorily complete training and refresher programs; and sign a general release in the format attached as Exhibit F to this Disclosure Document. You will be asked to sign a contract (a successor Franchise Agreement) with material terms and conditions of your original contract, but the boundaries of the Primary Area will remain the same, and the monthly fee upon renewal will not be greater than the monthly fee that we then impose on similarly situated renewing franchisees. When renewing, you may be asked to sign a contract with materially different terms and conditions than when you signed your original contract.
(d) Termination by you	FA: Sections 4.1 and 16.1	If we breach the agreement and do not cure the breach after 60-days’ notice from you, you may terminate 60 days after you provide us with written notice of termination. Also, you may terminate if you and we cannot agree on your initial Site within 12 months from the date you sign the Franchise Agreement.
(e) Termination by us without cause	FA: Section 16.3	We may terminate the FA by written notice to you without penalty and without payment of any refunds or damages to you, and you will follow the post-termination obligations under Section 17 at your expense, if we determine in our sole discretion that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the parties directly or indirectly that

		we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the FA, (B) makes performance of the FA commercially impracticable, (C) effectively
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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 Disclosure Document.			
Provisions	Section in franchise or other agreement	Summary	
		<p><u>not involving the parties directly or indirectly that we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the FA, (B) makes performance of the FA commercially impracticable, (C) effectively</u> modifies the allocation of risk, benefits and burdens agreed by the parties, (D) deprives any party of its benefits of the bargain struck by the parties, as originally set forth in the FA, or (E) determines that an employment or a joint employment relationship exists between we and you.</p>	
(f) <u>Termination by us with cause</u>	FA: Section 16.2	We can terminate only if you commit one of several violations.	

(g) “Cause” defined - defaults which can be cured	FA: Sections 16.2	You have 5 days to cure health, safety, environmental or sanitation law violations, 10 days to cure monetary defaults to us or approved suppliers, 30 days to cure noncompliance with any provision other than Section 16.2 of the Franchise Agreement or the System Standards. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 USC §101 et seq.). If we allow you to cure a default, we can require you to sign our general release, in the form attached as Exhibit F.
(h) “Cause” defined - non-curable defaults	FA: Section 16.2	Non-curable defaults include material misrepresentation or omission, failure to complete training, failure to commence construction of Just Love Coffee & Café within 6 months of the Agreement Date or fail to open Just Love Coffee & Café within 12 months of the Agreement Date (unless an extension is granted), abandonment, unapproved transfers, conviction of or a plea of no contest to, a felony or other serious crime, dishonest or unethical conduct, unauthorized assignment of the Franchise Agreement or of an ownership interest in you or the Just Love Coffee & Café, loss of the Site, unauthorized use or disclosure of the Manual or Confidential Information, failure to pay taxes, repeated defaults (even if cured), an assignment for the benefit of creditors or written admission of insolvency or inability to pay debts as they become due; and your refusal to provide us, or failure to provide us continuous access to your Computer System data.
(i) Franchisee’s obligations on termination/non-renewal	FA: Section 17; Lease Assignment; Conditional Assignment (1)	Obligations include: payment of outstanding amounts; complete de-identification; return of confidential information; for a sufficient period (up to 60 days) to allow us to determine if you are complying with post-termination obligations or allow us to exercise our right to purchase the Just Love Coffee & Café (but this right is limited with respect to real property if you have an SBA loan); you must refrain from selling, leasing;

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 Disclosure Document.		
Provisions	Section in franchise or other agreement	Summary
		your refusal to provide us, or failure to provide us continuous access to your Computer System data.

<p><u>(i) Franchisee’s obligations on termination/non-renewal</u></p>	<p><u>FA: Section 17; Lease Assignment; Conditional Assignment (1)</u></p>	<p><u>Obligations include: payment of outstanding amounts due to us and our Affiliates, including all liquidated damages; complete de-identification; return of confidential information; for a sufficient period (up to 60 days) to allow us to determine if you are complying with post-termination obligations or allow us to exercise our right to purchase the Just Love Coffee & Café (but this right is limited with respect to real property if you have an SBA loan), you must refrain from selling, leasing, encumbering or disposing of, gifting or making available to any third party, the furniture, fixtures, equipment, lease, real property, inventory or personal property (also see (r) below). You must comply with our assumption of your location’s management or notification of members and transfer of membership procedures. You also consent to our obtaining injunctive relief to enforce post-termination rights. You also agree not to hire our or our franchisees’ personnel for at least 6 months following termination or expiration. The termination of the Franchise Agreement will also terminate your right to Satellite Outlets.</u></p>
<p>(j) Assignment of contract by Franchisor</p>	<p>FA: Section 15.1</p>	<p>No restriction on our right to assign.</p>
<p>(k) “Transfer” by franchisee- defined</p>	<p>FA: Section 15.2</p>	<p>Voluntary or involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in the Franchise Agreement, you or the Just Love Coffee & Café.</p>
<p>(l) Franchisor approval of transfer by franchisee</p>	<p>FA: Section 15.2, 15.3 and 15.4</p>	<p>We have the right to approve all transfers, even to a Business Entity controlled by you. But, if you have an SBA loan, we will not unreasonably refuse to approve the transfer.</p>
<p>(m) Conditions for franchisor approval of transfer</p>	<p>FA: Section 15.3</p>	<p>New franchisee qualifies, you pay us a transfer fee of 50% of our then current Franchise Fee plus all costs and all amounts due, transferee and its managerial employees agree to complete training and transferor or transferee pay us \$10,000 to train the transferee, transferee agrees to be bound by terms and conditions of Franchise Agreement, transfer fee paid, we approve material terms, you subordinate amounts due to you, and you sign other documents we require - including general releases and agreement not to sue in the form provided in Exhibit F. The release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law (also see (r) below). Costs due on transfer include all franchise broker or business broker fees due by us, the transferor or the transferee to third parties.</p>

(n) — Franchisor's right of first refusal to acquire your business	FA: Section 15.8	We can match any offer for an ownership interest in you, your Franchise Agreement or your Just Love Coffee & Café provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to
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<u>THE FRANCHISE RELATIONSHIP</u>		
<u>This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.</u>		
<u>Provisions</u>	<u>Section in franchise or other agreement</u>	<u>Summary</u>
		Registration and Disclosure Law (also see (r) below). Costs due on transfer include all franchise broker or business broker fees due by us, the transferor or the transferee to third parties.
(n) — Franchisor's right of first refusal to acquire your business	FA: Section 15.8	We can match any offer for an ownership interest in you, your Franchise Agreement or your Just Love Coffee & Café provided that we may substitute cash for any form of payment at a discounted amount if an interest rate will be charged on any deferred payments, our credit will be deemed equal to that of any proposed purchaser, we will have no less than 60 days to prepare for closing and we receive all customary representations and warranties, as we specify. If you have an SBA loan, our right of first refusal is lifted so that (a) we will not purchase your real estate but can lease it for the remainder of the term and (b) you and we will mutually agree on fair market value (or mutually agree on an appraiser who will determine the market value).
(o) — Franchisor's option to purchase franchisee's business	FA: Section 17.7	We have the option to buy the Just Love Coffee & Café, including leasehold rights to the Site, at fair market value after our termination, or your termination without cause, of the agreement (but not expiration).
(p) — Death or disability of franchisee	FA: Sections 15.5 and 15.6	Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period prior to the assignment. Assignment is subject to our right of first refusal.

<p><u>(q) Non-competition covenants during the term of the franchise</u></p>	<p><u>FA: Sections 10</u></p>	<p><u>No interest in a competitive business, no controlling ownership interest in, or performance of services for, a competitive business anywhere, no recruiting or hiring of any person who is our employee or an employee of any Just Love Coffee & Café. A “Competitive Business” means any business or facility owning, operating or managing or granting franchises or licenses to others to do so, any store or facility (on a fixed or mobile basis), business, service, event, that features roasting or coffee products, that are the same or similar to the Products and Services offered by Just Love Coffee & Café shops (other than a Just Love Coffee & Café under a franchise agreement with us). A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, franchise seller, area representative or the like for any business franchising or licensing Competitive Businesses other than us. We may also prohibit</u></p>
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<p align="center">THE FRANCHISE RELATIONSHIP</p>		
<p>This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.</p>		
<p align="center">Provisions</p>	<p align="center">Section in franchise or other agreement</p>	<p align="center">Summary</p>
		<p>prepare for closing and we receive all customary representations and warranties, as we specify. If you have an SBA loan, our right of first refusal is lifted so that (a) we will not purchase your real estate but can lease it for the remainder of the term and (b) you and we will mutually agree on fair market value (or mutually agree on an appraiser who will determine the market value.</p>
<p>(o) Franchisor’s option to purchase franchisee’s business</p>	<p>FA: Section 17.7</p>	<p>We have the option to buy the Just Love Coffee & Café, including leasehold rights to the Site, at fair market value after our termination, or your termination without cause, of the agreement (but not expiration).</p>
<p>(p) Death or disability of franchisee</p>	<p>FA: Sections 15.5 and 15.6</p>	<p>Franchise or an ownership interest in you must be assigned to an approved buyer within 6 months and must be run by a trained manager during the period prior to the assignment. Assignment is subject to our right of first refusal.</p>

(q) — Non-competition covenants during the term of the franchise	FA: Sections 10	No interest in a competitive business, no controlling ownership interest in, or performance of services for, a competitive business anywhere, no recruiting or hiring of any person who is our employee or an employee of any Just Love Coffee & Café. A “Competitive Business” means any business or facility owning, operating or managing or granting franchises or licenses to others to do so, any store or facility (on a fixed or mobile basis), business, service, event, that features roasting or coffee products, that are the same or similar to the Products and Services offered by Just Love Coffee & Café shops (other than a Just Love Coffee & Café under a franchise agreement with us). A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, franchise seller, area representative or the like for any business franchising or licensing Competitive Businesses other than us. We may also prohibit you from hiring our or other franchisees’ personnel or obtain our or their permission to do so. If you violate these employee non-solicitation obligations, you will be responsible for payment to us or our designee liquidated damages in the amount of 4 times that person’s most previous annual compensation. These prohibitions apply to you, your owners, officers, directors and any of their immediate family members, fiancées, life partners or the like
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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 Disclosure Document.

Provisions	Section in franchise or other agreement	Summary
(r) Non-competition covenants after the franchise is terminated or expires	FA: Section 17.7	No interest in Competitive Businesses for 2 years at, or within 25 miles of, the Site or Primary Area, or at, within or within 25 miles of the Site or Primary Area any other Just Love Coffee & Café in operation or under construction (same restrictions apply after assignment).
(s) Modification of agreement	FA: Section 21.18	No modifications except by written agreement, but Manual and System Standards are subject to change.

(t) Integration/merger clause	FA: Section 20.18	Only the terms of the Franchise Agreement (including the Manual, System Standards, addenda and exhibits) are binding (subject to FTC Rule and federal law (and state law not inconsistent). Any other statements or promises not in the Franchise Agreement, the agreements which are exhibits to this Disclosure Document, or in this Disclosure Document should not be relied upon and may not be enforceable. Nothing in the Franchise Agreement or in any related agreements is intended to disclaim the representations we made in the Franchise Disclosure Document.
(u) Dispute resolution by arbitration or mediation	FA: Sections 14 and 21.1;	Except for disputes relating to (a) use of the Marks or Copyrights, and breaches of the restrictive covenants; (b) obligations upon termination or expiration, (c) violation of Confidentiality and non-competition provisions, all disputes and controversies are to be resolved by arbitration, governed by the Federal Arbitration Act and resolved according to the Code of Procedure of the National Arbitration Forum (subject to state law).
(v) Choice of forum	FA: Section 21.4;	Any legal action must be brought in Davidson County, Tennessee. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at Exhibit A.
(w) Choice of law	FA: Section 21.12;	Tennessee law applies. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at Exhibit A.
<u>THE FRANCHISE RELATIONSHIP</u>		
<u>This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.</u>		
<u>Provisions</u>	<u>Section in franchise or other agreement</u>	<u>Summary</u>
		<u>Document Addenda for Certain States at Exhibit A.</u>

Area Development Agreement

ITEM 17: THE FRANCHISE 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 Disclosure Document.		
Provisions	Section in Area Development Agreement	Summary

_____ (a) Length of the Franchise Term	Area Development Agreement (“ADA”): Section 4	The ADA expires on the date negotiated by you and us, usually 5 years from its effective date.
(b) Renewal or extension of the term	None	You may not renew the Area Development Agreement.
(c) Requirements for you to renew or extend	None	You may not renew the Area Development Agreement.
_____ (d) Termination by you	None	You may not terminate the Area Development Agreement.
_____ (e) Termination by us without cause	ADA Section 14	We may terminate your Area Development Agreement after written notice to you if we determine that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the Parties directly or indirectly that we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the Parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the Area Development Agreement, (B) makes performance of the Area Development Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the Parties, (D) deprives any Party of its benefits of the bargain struck by the Parties, as originally set forth in the Area Development Agreement, or (E) determines that an employment or a joint employment relationship exists between us.
(f) Termination by us with cause	ADA: Sections 12 and 13	We may terminate your Area Development Agreement 30 days after we give you written notice of a curable default that you fail to cure or immediately upon written notice of an incurable default.
(g) “Cause” defined— defaults which can be cured	ADA: Sections 12 and 13	A curable default consists of the breach of any of your obligations under any agreement with us or our Affiliates, other than an incurable default listed below. Requesting the appointment of a receiver or assigning your interest may also constitute a curable default. If you do not remedy a curable default within 30 days after notice, we may terminate your Area Development Agreement.

ITEM 17: THE FRANCHISE 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 Disclosure Document.

Provisions	Section in Area Development Agreement	Summary
		<u>immediately upon written notice of an incurable default.</u>
<u>(g) “Cause” defined - defaults which can be cured</u>	<u>ADA: Sections 12 and 13</u>	<u>A curable default consists of the breach of any of your obligations under any agreement with us or our Affiliates, other than an incurable default listed below. Requesting the appointment of a receiver or assigning your interest may also constitute a curable default. If you do not remedy a curable default within 30 days after notice, we may terminate your Area Development Agreement.</u>
(h) “Cause” defined - non-curable defaults	ADA: Sections 12 and 13	An incurable default will occur if you fail to comply with the performance schedule set forth in the Area Development Agreement or any incurable default occurs under any of your existing Franchise Agreements.
(i) Franchisee’s obligations on termination/non-renewal	ADA: Section 13	You must cease to select or develop any sites for a Franchised Café or hold yourself out as a Franchised Café developer. However, the termination of the Area Development Agreement will not affect your right to open and operate a Franchised Café under any effective Franchise Agreement.
(j) Assignment of contract by Franchisor	ADA: Section 16(a)	We may transfer, assign or pledge our interest in the Area Development Agreement, in whole or in part, to any person.
(k) “Transfer” by franchisee- defined	ADA: Section 16(b)	Any transfer, assignment or pledge of the Area Development Agreement will constitute a transfer of the agreement.
(l) Franchisor approval of transfer by franchisee	ADA: Section 16(b)	You may not transfer any interest in your Area Development Agreement without our express written consent.
(m) Conditions for franchisor approval of transfer	ADA: Section 16(b)	You may not transfer any interest in your Area Development Agreement without our express written consent.
(n) Franchisor’s right of first refusal to acquire your business	N/A	N/A
(o) Franchisor’s option to purchase franchisee’s business	N/A	N/A

(p) Death or disability of franchisee	None	Your death or permanent incapacity, in and of itself, will not affect your Area Development Agreement.
(q) Non-competition covenants during the term of the franchise	ADA: Section 2	You may not develop or operate any competing business within the Development Area or within a 25-mile radius of the Development Area.
(r) Non-competition covenants after the franchise is terminated or expires	N/A	N/A

ITEM 17: THE FRANCHISE 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 Disclosure Document.

<u>Provisions</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
(s) Modification of agreement	ADA: Section 27	You and we must agree in writing to any modifications to the Area Development Agreement.
(t) Integration/merger clause	ADA: Section 19	Only the terms of the Area Development Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Area Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

~~ITEM 17: THE FRANCHISE 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 Disclosure Document.~~

Provisions	Section in Area Development Agreement	Summary
		representations made in the Franchise Disclosure Document, its exhibits and amendments.
(u) Dispute resolution by arbitration or mediation	N/A	N/A
(v) Choice of forum	ADA: Section 23	Any legal action must be brought in the judicial district where our headquarters is located, which is currently Davidson County, Tennessee. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States (subject to applicable state law).

(w) Choice of law	ADA: Section 22	Tennessee law will apply to the Area Development Agreement and all rights and duties under the Area Development Agreement. See Disclosure Document Addenda for Certain States (subject to applicable state law).
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ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Historical Gross Sales

The financial information in the table below is an historical financial performance representation taken from the Point of Sale system for each Just Love Coffee & Café and represents all locations open for the entire year in ~~2023~~2024. One Just Love Coffee & Café is omitted from the data set because it is located on a college campus and is not open year-round. Of the 2942 locations included in the table below, 1120 locations (3848%) met or exceeded the average amount of Gross Sales for the period presented and 1421 locations (4850%) met or exceeded the median Gross Sales for the period presented.

On December 31, 2024, there were a total of 53 Just Love Coffee & Cafés, only 42 of which were in operation for a full calendar year on December 31, 2024, and reported financial information for the entire year. Of the 2942 Just Love Coffee cafés included in this Item 19, one is a company owned store (Murfreesboro East) during the entire presentation period. All locations operate in substantially the same manner as the Just Love Coffee & Café Franchised Café offered in this Disclosure Document. All information is unaudited.

Financial Performance of All Just Love Coffee & Café Shops Open During the Period from January 1, 2023 2024 through December 31, 2023 2024
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~~Average Amount~~

~~2023~~

Average Gross Sales		\$ 614,229 <u>521,270.44</u>
---------------------	--	--

Highest Gross Sales in Range	————	—\$1,298,643— <u>1,171,254.38</u>
Lowest Gross Sales in Range	————	—\$256,805— <u>226,743.36</u>
Median Gross Sales	————	—\$555,670— <u>488,202.28</u>

Notes

- (1) “**Average Gross Sales**” is defined as total Gross Sales (all revenue generated by the Café, not including any sales tax collected) less discounts taken at the point of sale, such as the value of promotional and complimentary products during the specified period. This term is the same as Gross Sales defined in Item 6.
- (2) We do not provide information in this financial performance representation regarding store level operating expenses, Royalty Fees and System Development Fund Fees. The Financial Performance Representations (Earnings Claims) figures in this Item 19 do not reflect other operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. ~~You should conduct an independent investigation of the costs and expenses you will incur in operating your Café. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.~~
- (3) The table above includes the performance of 2942 locations during January 1, ~~2023~~2024, through December 31, ~~2023~~2024.

SOME OUTLETS HAVE EARNED THIS AMOUNT. YOUR INDIVIDUAL RESULTS MAY DIFFER. THERE IS NO ASSURANCE THAT YOU WILL EARN AS MUCH.

These results have not been audited by an independent auditor. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 contact ~~Erie Wheeler~~Alan Thompson at 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027, via e-mail at erie.wheeleralan@justlovecorp.com, or by phone at ~~(629) 2024855~~(615) 3006048, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary For Years ~~2021-2023~~ 2022 -2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021 2022	1722	2229	+57
	2022	22	29	+7
	2023	29	4243	+1314
	2024	43	51	+8
Company-Owned	2021 2022	1	1	0
	2022	1	1	0
	2023	1	1	0
	2024	1	2	+1
Total Outlets	2021 2022	1823	2330	+57
	2022	23	30	+7
	2023	30	4344	+1314
	2024	44	53	+9

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor) For Years 20212022 to 20232024			
<u>Column 1</u> State	<u>Column 1</u> Year	<u>Column 2</u> Year	Column 3 Number of Transfers
Florida	2022		0
	2023		0
	2024		1
Michigan	2022		0
	2023		0
	2024		1
Tennessee	Tennessee 2022	2021	42
	2022	2	
	2023	2023	4
	Total2024	2021	41
Total	2022	2022	2
	2023	2023	4
	2024		3

Table No. 3

Status of Franchised Outlets For Years 2021 to 2023								
Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminati ons	Column 6 NonRenewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations -Other Reasons	Column 9 Outlets-at End-of-the Year
Alabama	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Arizona	2021	0	0	0	0	0	0	0

Status of Franchised Outlets For Years 2022 to 2024								
Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminati ons	Column 6 NonRenewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Alabama	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Arizona	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Colorado	2021-20 24	01	0	01	0	0	0	0
Colorado	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Florida	2021-20 24	12	1	01	0	0	0	2
Florida	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	32	0	0	0	0	0	32
Georgia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	32	0	0	0	0	0	32

Georgia	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Indiana	2021	0						
Indiana	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1				
Kentucky	2021	0	1	0	0	0	0	1
Kentucky	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	2				
Michigan	2021	1	0	0	0	0	0	1
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1				
Minnesota	2022	0						
Mississippi	2021-20	0	0	0	0	0	0	0
	23							
	2024	0	1	0	0	0	0	1
Mississippi	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1				
Missouri	2021	1	0	0	0	0	0	0
Missouri	2022	1	0	0	0	0	0	0
	2023	1	0	2	0	0	0	2
	2024	2	0	2				

Nebraska	2021	1	0	0	0	0	0	1
<u>Nebraska</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
New Jersey	2021	0	0	0	0	0	0	0
<u>New Jersey</u>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
North Carolina	2021 <u>2022</u>	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
Tennessee	2021 <u>2020</u> <u>24</u>	7 <u>2</u>	10 <u>4</u>	0 <u>1</u>	0	0	0	8 <u>1</u>
<u>Tennessee</u>	2022	8	2	0	0	0	0	10
	2023	10	5	0	0	0	0	15
	<u>2024</u>	<u>15</u>	<u>4</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>17</u>
Texas	2021	2	0	0	0	0	0	2
<u>Texas</u>	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	<u>2024</u>	<u>4</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<u>Utah</u>	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Wisconsin	2021 <u>2020</u> <u>24</u>	0	1	0	0	0	0	1
<u>Wisconsin</u>	2022	2 <u>1</u>	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Total	2021 <u>2020</u> <u>24</u>	17 <u>3</u>	50 <u>0</u>	0	0	0	0	22 <u>3</u>

Total	2022	22	7	0	0	0	0	29
	2023	29	13 14	0	0	0	0	42 43
	2024	43	12	4	0	1	0	51

Table No. 4

Status of Company-Owned Outlets For Years 20212022 to 20232024							
Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Tennessee	2021	1	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021 2024	1	0	0 1	0	0	1 2
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	1	0	0	2

Table No. 5

Projected Openings As of December 31, 20232024			
Column 1 State	Column 2 Agreements Signed But Outlet Not Opened	Column 3 Projected New Outlets in the Next Fiscal Year	Column 4 Projected New Company-owned Outlets in the Current Fiscal Year
Alabama	2	1	0
Arizona	3	0	0
Colorado	3	1	0
Georgia	4 2	2 1	0
Indiana	1	0	0
Kentucky	2 1	1	0
Michigan	1	1	0
Minnesota	2	2 1	0
Mississippi	1	0 1	0
Nebraska	1	1	0

New Jersey	1	0	0
North Carolina	2	2	0
Ohio	1	1	0
South Carolina	1	1	0
Tennessee	83	62	02
Texas	3	2	0
Utah Texas	24	2	0
Total	3817	2311	02

Exhibit ~~KJ~~ lists the city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every Just Love Coffee & Café who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

Exhibit J includes a list of each Just Love Coffee & Café who has signed a Franchise Agreement but has not yet opened for business.

Exhibit J contains the names of all current Just Love Coffee & Café franchisees and their address and telephone numbers as of the date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers while you are part of and when you leave the System.

During the past 3 years, each of the former franchisees listed in Exhibit ~~KJ~~ have signed confidentiality clauses.

In some instances, current and former franchisees sign or will be asked to sign provisions restricting their ability to speak openly about their experience with the Just Love Coffee & Café franchise system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

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

We have not created, sponsored or endorsed a trademark-specific franchisee organization associated with the franchise system being offered. No independent franchisee organization incorporated or otherwise created under state law has asked to be included or renewed a prior year's request for inclusion in this Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

Our fiscal year ends December 31. Our audited financial statements as of and for the fiscal years ended December 31, ~~2023, 2024, 2023 and~~ 2022, and ~~2021 (2021 are included with 2020 and 2019)~~ our unaudited financials through May 31, 2025, are attached as Exhibit

B to this Disclosure Document. ~~We also include our unaudited financial statements as of April 30, 2024.~~

ITEM 22

CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included as exhibits to this Disclosure Document. These include:

Exhibit A	State Specific Addenda and Exhibits
Exhibit C	Form of Franchise Agreement and Limited Access Concept Addendum
Exhibit D	Form of Area Development Agreement
Exhibit E	Form of Conditional Assignment of Telephone Numbers and Listings
Exhibit F	Form of General Release (Successor Franchise, Assignment/Transfer/Cure of Default)
Exhibit G	Form of Electronic Funds Transfer Agreement
Exhibit H	Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit M <u>L</u>	Forms of Franchise Compliance Certification
Exhibit N <u>M</u>	Receipts

ITEM 23

RECEIPTS

You will find two copies of a detachable receipt in Exhibit ~~N~~M at the very end of this Disclosure Document.

**ADDENDUM TO THE JUST LOVE FRANCHISE GROUP, LLC ILLINOIS
DISCLOSURE DOCUMENT**

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Illinois:

1. Illinois law governs the Franchise Agreement(s).
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. 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.
6. Items 5 and 7 of the Disclosure Document are amended to disclose the Office of the Attorney General of Illinois has required as a condition of registration for us to post an Illinois Surety Bond in the principal amount of \$39,000 as financial assurance for our performance. The surety bond secures our obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the offering. This financial assurance requirement was imposed by the Office of the Attorney General of Illinois due to Franchisor's financial condition.

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO
THE INDIANA FRANCHISE DISCLOSURE LAW
AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

The following provisions supersede the Disclosure Document 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 this Disclosure Document, the Franchise Agreement, the other agreements or Tennessee 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 therein as a material breach of the

ADDENDUM TO THE JUST LOVE FRANCHISE GROUP, LLC
SOUTH DAKOTA DISCLOSURE DOCUMENT

Any provision in a Franchise Agreement which designates jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Any provision in a Franchise Agreement that states the parties waive their right to claim punitive, exemplary, incidental, indirect, special, or consequential damages or any provision that provides that parties waive their right to a jury trial may not be enforceable under South Dakota law.

~~After an examination of the financial statements of the Franchisor, the State of South Dakota Department of Labor and Regulation requires us to provide financial assurance regarding performance of our obligations to you before you open your Business. We have elected to defer payment of initial franchise fees and development fees until your Business opens and you have commenced business.~~

VIRGINIA DISCLOSURE DOCUMENT

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

ADDENDUM TO THE JUST LOVE FRANCHISE GROUP, LLC

~~1. Item 5 is modified as follows: 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.~~1

2. The following is added to Item 17(h):

- (a) Any provision in any of the contracts that you sign with the Franchisor which provides for termination of the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 *et. seq.*).

- (b) Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia 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 and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

~~3~~2. 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.

4875-5019-9221v7
2946781-000001-12/20/2024

~~THE STATEMENTS DATED APRIL 30, 2024, ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM~~

4875-5019-9221v7
2946781-000001-12/20/2024

Just Love Franchise Group, LLC
Balance Sheet
As of April 30, 2024

Total

ASSETS

— Current Assets

— Bank Accounts 41,827.85

— Total Bank Accounts \$ 41,827.85

— Accounts Receivable

— 1100 Accounts Receivable 3,000.00

— Total Accounts Receivable \$ 3,000.00

— Other Current Assets

— Total Other Current Assets \$ 946,750.40

— Total Current Assets \$ 907,922.55

— Fixed Assets

— 1300 Furniture and Equipment 40,422.81

— 1400 Accumulated Depreciation -15,288.00

— Total Fixed Assets \$ 25,134.81

— Other Assets

— 1252 Contract Asset 1,472,679.69

— 1269 Right to Use Assets—Lease 225,527.93

— Contract Asset—GC-S-1258 85,736.50

— Total Other Assets \$ 1,783,944.12

TOTAL ASSETS \$ 2,717,001.48

LIABILITIES AND EQUITY

— Liabilities

— Current Liabilities

— Accounts Payable

— 2000 Accounts Payable 324,310.26

— Total Accounts Payable \$ 324,310.26

— Credit Cards

— 2012 Credit Card 9,006.44

— Total Credit Cards \$ 9,006.44

— Other Current Liabilities

— Total 2060 Gift Card Payable \$ 471,627.62

— Total Other Current Liabilities \$ 2,259,431.81

Total Current Liabilities	\$ 2,592,748.51
Long-Term Liabilities	
Total Long-Term Liabilities	\$ 5,374,641.23
Total Liabilities	\$ 7,967,389.74
Equity	
2500 Retained Earnings	-4,676,006.37
2900 Opening Balance Equity	1,121.00
2920 Member's Equity - Rob Webb	488,724.11
2921 Member's Contribution	23,850.00
2922 Member's Draw	-20,000.00
Total 2920 Member's Equity - Rob Webb	\$ 532,574.11
Total 2940 Members Equity - Just Love Enterprises LLC	\$ 458,475.68
2951 Advances - JL - Webb	-23,850.00
FOC - Members Equity	
Total 2930 Member's Equity - Bergauer - FOC	\$ 242,000.00
Total FOC - Members Equity	\$ 19,082.00
Net Income	496,636.46
Total Equity	\$ 5,250,388.26
TOTAL LIABILITIES AND EQUITY	\$ 2,717,001.48

FOR MANAGEMENT USE ONLY

Financial Statements

Just Love Franchise Group, LLC

December 31, [2024](#), 2023, and 2022





To the Member
Just Love Franchise Group, LLC
Franklin, Tennessee

Independent Auditor's Report

Opinion

We have audited the financial statements of Just Love Franchise Group, LLC (the Company), which comprise the balance sheets as of December 31, ~~2024~~, ~~2023~~, and 2022 and the related statements of operations, changes in member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, ~~2024~~, ~~2023~~, and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in the *Liquidity and Management's Plan* footnote to the financial statements, the Company has experienced net losses and negative cash flows from operations since ~~the period of~~ inception. Management's plans in regard to this matter are described on page 9. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal

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

GBQ Partners LLC GBQ Partners LLC

Cincinnati, Ohio

June ~~626~~, ~~2024~~2025

JUST LOVE FRANCHISE GROUP, LLC

Balance Sheets December 31, 2024, 2023, and 2022



	<u>2024</u>	2023	2022
ASSETS			
Current Assets	<u>\$ 8,445</u>	\$	34,88
Cash	<u>93,689</u>		98,06
Accounts receivable:	<u>24,365</u>		27,56
Royalties receivable	<u>-</u>		431,96
System development fees re	<u>17,081</u>		4,85
Related party receivables	<u>297,062</u>		126,67
Other receivables	<u>85,000</u>		
Contract assets, current portio	<u>87,470</u>		149,38
Note receivable	<u>55,925</u>		73,80
Deferred gift card fees			
Prepaid expenses and othe			
assets Total current assets			
Noncurrent Assets			
Contract assets, net of current			
Operating lease assets asset, i	<u>669,037</u>		947,20
Property, — plantFurnitures,	<u>959,435</u>		1,435,63
and equipment, net Total r	<u>147,918</u>		264,00
assets	<u>17,505</u>		21,31
TOTAL ASSETS	<u>1,124,858</u>		1,720,94
	<u>\$ 1,793,895</u>	\$	<u>2,668,155</u>

The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

LIABILITIES AND DEFICIT	2024	2023
	\$ <u>1,300,000</u>	\$ 2,095,000
Current Liabilities	<u>-</u>	76,377
Lines of credit	<u>354,960</u>	192,050
Current portion of related party	<u>337,099</u>	359,880
Current portion of long-term debt	<u>-</u>	151,430
Accounts payable and accrued	<u>402,293</u>	580,070
Due to related parties	<u>206,490</u>	191,490
Gift card liability	<u>146,986</u>	143,810
Contract liabilities, current portion	<u>-</u>	-
Current portion of operating	<u>-</u>	-
Total current liabilities	<u>-</u>	-
Noncurrent Liabilities	<u>2,747,828</u>	3,790,120
Contract liabilities, net of current	<u>1,752,408</u>	2,153,990
Operating lease liability, net of	<u>37,070</u>	184,050
Line of credit - related party	<u>384,362</u>	384,360
Notes payable - related party	<u>-</u>	620,480
Long-term debt - net of current	<u>-</u>	-
and unamortized deferred loan	<u>-</u>	-
Total noncurrent liabilities	<u>1,233,245</u>	371,110
Total liabilities	<u>1,233,245</u>	371,110
Member's Deficit	<u>3,407,085</u>	3,714,010
Member's deficit	<u>6,154,913</u>	7,504,130
Less: Member advances	<u>(4,361,018)</u>	(4,347,290)
Total member's deficit	<u>(488,692)</u>	(488,692)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>(488,692)</u>	(488,692)
	<u>-</u>	(488,692)
	<u>(4,361,018)</u>	(4,835,980)
	<u>\$ 1,793,895</u>	\$ 2,668,150

Statements of Operations For the Years Ended December 31, 2024, 2023, and 2022



2024	2023	2022
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The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

Revenues			
Initial franchise fees	<u>\$ 603,086</u>	\$ 343,328	\$ 177,259
Royalty fees	<u>1,154,454</u>	1,118,106	826,837
System development fees	<u>291,445</u>	281,764	178,795
Other revenues	<u>214,708</u>	197,754	<u>46,283</u>
Total revenues			<u>1,229,174</u>
<u>Total revenues</u>	<u>2,263,693</u>	1,940,952	<u>1,229,174</u>
Selling, General and Administrative Expenses	<u>3,194,066</u>	2,734,305	2,448,052
Loss from Operations	<u>(930,373)</u>	(793,353)	(1,218,878)
Other Income (Expenses)			
Gain on forgiveness of Paycheck Protection Program loan	=	-	153,830
Other income	=	-	600
Interest expense	<u>(241,838)</u>	(238,021)	(111,564)
Total other (expense)	<u>(241,838)</u>	<u>(238,021)</u>	

The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

income, net		(238,021)	42,866
Net Loss	\$	\$	\$
	(1,172,211)	(1,031,374)	(1,176,012)

Statements of Changes in Member's Deficit For the Years Ended December 31, 2024, 2023, and 2022

	Member's Deficit	Member Advance s	Total Member's Deficit
Balance - December 31, 2021	\$ (2,364,806)	\$ (488,692)	\$ (2,853,498)
Contributions	275,000	-	275,000
Distributions	(50,100)	-	(50,100)
Net loss	<u>(1,176,012)</u>	=	<u>(1,176,012)</u>
Balance - December 31, 2022	(3,315,918)	(488,692)	(3,804,610)
Net loss	<u>(1,031,374)</u>	=	<u>(1,031,374)</u>
Balance - December 31, 2023	(4,347,292)	(488,692)	(4,835,984)
<u>Conversion of member payable to</u>	<u>1,647,177</u>	=	<u>1,647,177</u>

The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

<u>non-cash contribution</u>			
<u>Conversion of member advances to non-cash distribution</u>	<u>(488,692)</u>	<u>488,692</u>	<u>=</u>
<u>Net loss</u>	<u>(1,172,211)</u>	<u>=</u>	<u>(1,172,211)</u>
<u>Balance - December 31, 2024</u>	<u>\$ (4,361,018)</u>	<u>\$ =</u>	<u>\$ (4,361,018)</u>

The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

Statements of Cash Flows December 31, 2024, 2023, and 2022

	<u>2024</u>	2023	2022
C a s h F l o w s f r o m O p e r a t i n g A c t i v i t i e s N e t l o s s A d j u s t m e n t s t o r e c o n c i l e n e t l o s s t o	\$ <u>(1,172,211)</u>	\$ (1,031,374)	\$ (1,176,012)
A d j u s t m e n t s t o r e c o n c i l e n e t l o s s t o	<u>(603,086)</u>	<u>7,922</u> (3) 43,328)	<u>7,896</u> (1) 77,259)

The accompanying notes are an integral part of the financial statements.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

es:			
Royalties and system development receivables			
Related party receivable	<u>(538,943)</u>	(386,227)	(41,329)
Other receivables	<u>(12,225)</u>	4,262	(9,118)
Contract assets	<u>(99,591)</u>	(16,229) <u>292,280</u>	(560,90) <u>6674,354</u>
Deferred gift card fees	<u>61,915</u>	(122,249)	-
Prepaid expenses and other current assets	<u>17,883</u>	(13,062)	(17,896)
<u>Operating lease asset</u>	<u>116,086</u>	<u>114,162</u>	<u>108,372</u>
Accounts payable and accrued expenses	<u>(22,787)</u>	103,698	192,656
Due to related parties	<u>1,684,786</u>	111,435	(22,843)
Gift card liability	<u>(177,783)</u>	295,825	77,454
Contract liabilities	<u>216,501</u>	15,137 <u>358,465</u>	782,441 <u>959,700</u>
Operating lease liability	<u>(143,813)</u>	(132,648)	(105,796)
Net cash used in operating activities	<u>(251,563)</u>	(1,059,710)	(937,080)
	<u>(4,914)</u>	-	(9,865)

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

Cash Flows from Investing Activities	<u>(4,914)</u>	-	(9,865)
Purchase of franchise units			
Net cash used in investing activities			
Cash Flows from Financial	<u>(274,962)</u>	(184,836)	(179,955)

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

Principal payments on long-term debt			
Proceeds from line of credit	<u>505,000</u>	495,000	871,826
Net repayment of line of credit - related party	=	-	(18,552)
Proceeds from related party notes payable	=	696,861	-
Member distributions	=	-	(50,100)
Member contributions	=	-	275,000
Net cash provided by financing activities	<u>230,038</u>	<u>1,007,025</u>	<u>898,219</u>
Net Decrease in Cash	<u>(26,439)</u>	(52,685)	(48,726)
Cash - Beginning of Year	<u>34,884</u>	<u>87,569</u>	<u>136,295</u>
Cash - End of Year	<u>\$ 8,445</u>	<u>\$ 34,884</u>	<u>\$ 87,569</u>
Supplemental Cash paid during	<u>\$ 241,838</u>	<u>\$ 238,021</u>	<u>\$ 1,111,111</u>
Supplemental Disclosures of Non-Cash Financing Activities			

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

Conversion of line of credit facility to long-term debt	\$ 1,300,000	\$ -	\$ -
Supplemental Cash paid for	\$ 238,021	\$ 111,564	
Supplemental Disclosures of Noncash Flow Information			
Conversion of related party activities to contributions	\$ 1,647,177	\$ -	\$ -
Conversion of member payable to distribution	488,692	-	-

Nature and Scope of Business

Just Love Franchise Group, LLC (the "Company") was organized as a limited liability company in Florida on February 9, 2018. The Company is a wholly-owned subsidiary of Just Love Enterprises, LLC (herein referred to as "Parent"). The Company was established to develop and franchise Just Love Cafes (the "Cafes") throughout the United States. The Cafes offer a variety of upscale coffee and tea, as well as a waffle-based menu.

There were 58, 46, and 30 Cafes operating as of December 31, 2024, 2023, and 2022, respectively. Under the terms of these Cafes' franchise agreements, the Cafés pay monthly royalty fees and system development fees, as described below.

Liquidity and Management's Plan

During the years ended December 31, 2024, 2023, and 2022, the Company had a net loss of ~~\$1,031,374~~ \$1,172,211, \$1,031,074, and \$1,176,012, respectively, and negative cash flows from operations of ~~approximately \$251,563~~, \$1,059,710 and \$937,080, respectively. Through December 31, ~~2023 and 2022~~ 2024, the Company has principally financed its operations through the use of draws on ~~their~~ its line of credit, related party notes payable and cash flows from new franchise agreements and ongoing royalty payments.

The Company ~~currently has 46 and 30 open stores as of December 31, 2023 and 2022, respectively, and~~ expects to open approximately 16 stores during 20242025, of which 4five have opened subsequent to year end through the date of this report. Additionally, the Company has approximately 44 other executed franchise agreements in the development or construction phase. The Company has also executed ~~three~~ four franchise agreements in 20242025 (see *Subsequent Events* footnote) ~~and~~ add expects to execute approximately 2412 total new

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

franchise agreements during ~~2024, 2025~~. Additionally, ~~the Company executed an amended line of credit agreement subsequent to year end, which provided the Company an additional \$500,000 of availability on their line of credit (see Subsequent Events footnote).~~ The Company expects to improve its results of operations during the year ended December 31, ~~2024, 2025~~ through the sale of additional franchises and opening of new stores generating recurring royalty and system development fees. The debt is personally guaranteed by owners of the Parent company. To the extent the Company's available cash is insufficient to satisfy its long-term requirements (at least one year from report date), the Company will rely on funding from its Parent company and ~~two~~three members of the Company's Parent company.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") ~~generally~~ requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, ~~at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.~~ Accordingly, actual Actual results could differ from those estimates.

Summary of Significant Accounting Policies (continued)

Accounts Receivable

Royalties and system development fees receivable are due from franchisees for monthly royalty and system development fees owed. The Company does not require collateral for its receivables. ~~Receivables related to royalties amounted to \$98,069, \$73,903, and \$59,573 as of December 31, 2023, 2022 and 2021, respectively. Receivables related to system development fees receivable amounted to \$27,565, \$16,369, and \$12,530 as of December 31, 2023, 2022, and 2021, respectively.~~ The carrying amount of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. Based on its assessment, management determined that the risk of credit loss was not material; therefore, there was no valuation allowance recorded as of December 31, 2024, 2023, and 2022, respectively.

Related Party Receivables

Related party receivables are primarily made up of amounts due from related party entities for reimbursement of expenses paid for the related party. ~~The carrying amount of related party receivables is reduced by a valuation allowance for expected credit losses, as necessary, that~~

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

~~reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and, as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. Based on its assessment, management determined that the risk of credit loss was not material; therefore, there was no valuation allowance recorded. During 2024, the Company advanced \$885,905 to its member which were converted to distributions as of December 31, 2023 and 2022.~~

Note Receivable

The Company advanced \$25,000 to a franchisee owner in the form of a non-interest-bearing note receivable in order to facilitate the franchisee's ability to complete construction and build out its first location. The note receivable matured upon the earlier of (1) the opening of the franchisee's second location or 12 months after the opening date of the first location, at which any outstanding principal is due. The franchise owner opened their first location on December 4, 2020; however, in December 2021, the Company extended the due date of the loan to June 4, 2022. If the note ~~is~~ was not paid at maturity, it was to bear interest at 2% per annum until paid in full. There were no payments received on the note receivable during 2023 and 2022. As of December 31, 2023, the \$25,000 note receivable was fully written off against the related deferred revenue, as such there ~~is~~ was no impact to the statements of operations.

~~Summary of Significant Accounting Policies (continued)~~

In 2024, the Company advanced \$85,000 to a franchisee owner in the form of an unsecured, non-interest-bearing note receivable to facilitate the franchisee's ability to complete construction and build out its first location. The note is expected to be paid in full in 2025 upon completion of construction and the opening of the location. As of December 31, 2024, the note has not been repaid and is considered fully collectible.

Leases

Pursuant to GAAP, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Leases with an initial term of 12 months or less are not recorded within the accompanying balance sheets.

Summary of Significant Accounting Policies (continued)

Leases (continued)

Operating leases are included in operating lease right-of-use (ROU) ~~assets, other current liabilities~~ asset, current portion of operating lease liability, and operating lease ~~liabilities~~ liability

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

within the Company's accompanying balance sheets. The Company has no finance leases in the accompanying balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily ~~determinable~~determined. If the Company leases do not provide an implicit rate, the Company elected the practical expedient to utilize the risk-free rate to determine the present value of lease payments. Operating lease ROU assets also includes any lease payments made less any lease incentives paid or payable to the lessee. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise the option.

The Company has a lease agreement with lease and non-lease components; however, the Company has elected the practical expedient to account for the lease and non-lease component as a single lease.

Property and Equipment

Property and equipment relate to the Company's website and computers which is stated at cost. Depreciation is provided based on the straight-line method over the estimated useful life of the asset, which is five years.

~~Summary of Significant Accounting Policies (continued)~~

Impairment or Disposal of Long-Lived Assets

The Company assesses the recoverability of the recorded value of their long-lived assets, such as property and equipment and the operating lease asset, whenever events or changes in business circumstances indicate the carrying amount of the asset may not be fully recoverable. The assessment of recoverability is based on management's estimate of undiscounted future operating cash flows of its ~~longlived~~long-lived assets. If the assessment indicated that the undiscounted operating cash flows do not exceed the net book value of the long-lived assets, the difference between the net book value of the long-lived asset and the fair value of such assets is recorded as a charge against income in the consolidated statements of operations. The Company determined no impairments had occurred during the years ended December 31, 2024, 2023, and 2022.

Summary of Significant Accounting Policies (continued)

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

Paycheck Protection Program Loan Accounting Policy

Currently, there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by a for-profit business entity that receives forgivable debt from a government entity. Accordingly, management has elected to recognize forgivable debt received from a government entity as debt until debt extinguishment occurs when the Company is legally released from being the obligor. Upon legal release as obligor, the Company recognized the forgiven amount as income in the statements of operations. The Company received loan forgiveness in full of \$153,830, which is recorded on the ~~accompany~~[accompanying](#) statements of operations for the year ended December 31, 2022.

COVID-19 Government Assistance Accounting Policies

Currently, there is no authoritative guidance under U.S. GAAP that addresses accounting and reporting by a for-profit business entity that receives assistance not in the form of an income tax credit from a government entity. As it relates to certain payroll-related tax credits (Employee Retention Credits), management has elected to account for such credits as a gain contingency. Accordingly, credits will be recognized within the financial statements once realized and cash is received. ~~The~~[During 2023, the](#) Company ~~has~~-filed for Employee Retention Credits totaling \$59,000, which has not been received and is unrecognized as of December 31, ~~2023.~~[2024.](#)

Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue consists of initial franchise fees, royalty fees, and system development fees. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a franchisee.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606). The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Initial Franchise Fees, Contract Assets, and Contract Liabilities

The Company typically receives a ~~nonrefundable~~[non-refundable](#) initial franchise fee ranging from \$25,000 to \$39,000 for any new franchise location. The franchise fee is based on the number of Cafes included in the franchise agreement. In exchange for the initial franchise

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

fee, the Company provides its franchisees with management expertise, training, pre-opening assistance, and restaurant operating assistance.

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Initial Franchise Fees, Contract Assets, and Contract Liabilities (continued)

The initial franchise fees are included in contract liabilities upon receipt as they are not considered distinct performance obligations under ASC 606. Revenue from the initial franchise fees is recognized beginning when the performance obligation commences and continuing over the [lifeterm](#) of the franchise agreements. The Company typically grants franchise rights to franchisees for a term of 10 years. The Company considers the opening of the franchises to be when the performance obligation commences.

The Company has agreements with certain related parties and third-party providers to facilitate the sale of franchises. The terms of these agreements require that the Company pay commissions to these providers for each franchise that is sold. Under ASC 606, these commissions are recorded as contract assets and recognized beginning when the performance obligation commences through the [lifeterm](#) of the franchise agreement which is the same term over which the revenue is recognized.

The Company has recorded both the current portion and the long-term portion of contract assets and contract liabilities. The current portions consist of the Company's estimate of commission expense and initial franchise fee revenue, which is expected to be recognized within one year of the balance sheet date based on the Cafes that are [expected to commence operations.in operation.](#)

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Initial Franchise Fees, Contract Assets, and Contract Liabilities (continued)

A summary of significant changes to the [deferred revenue and deferred expensecontract liabilities and contract assets](#) balances are shown below:

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

	<u>Contract Liabilities</u>	<u>Contract Assets</u>
Balance, December 31, 2021	\$ <u>1,547,905</u>	\$ <u>985,173</u>
Initial franchise fees received	969,700	=
Revenue recognition from initial franchise fees	(57,759)	=
Franchise fees refunded	(10,000)	=
Revenue recognition from franchise agreement terminations due to default	(119,500)	=
Incremental direct costs incurred	=	674,354
Expense recognition from direct costs	=	(40,283)
Expense recognition from franchise agreement	=	(73,165)
Balance, December 31, 2022	<u>2,330,346</u>	<u>1,546,079</u>
Initial franchise fees received	402,965	=
Revenue recognition from initial franchise fees	(99,653)	=
Franchise fees refunded	(19,500)	=
Revenue recognition from franchise agreement	(268,675)	=

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

<u>terminations due to default</u>		
<u>Incremental direct costs incurred</u>	=	<u>292,280</u>
<u>Expense recognition from direct costs</u>	=	<u>(73,620)</u>
<u>Expense recognition from franchise agreement terminations</u>	=	<u>(202,431)</u>
<u>Balance, December 31, 2023</u>	<u>2,345,483</u>	<u>1,562,308</u>
<u>Initial franchise fees received</u>	<u>216,500</u>	=
<u>Revenue recognition from initial franchise fees</u>	<u>(311,883)</u>	=
<u>Franchise fees refunded</u>	=	=
<u>Revenue recognized from closed stores</u>	<u>(133,210)</u>	=
<u>Revenue recognition from franchise agreement terminations due to default</u>	<u>(157,992)</u>	=
<u>Incremental direct costs incurred</u>	=	<u>99,590</u>
<u>Expense recognition from direct costs</u>	=	<u>(200,176)</u>
<u>Expense recognition from franchise agreement</u>	=	<u>(59,765)</u>

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

	Contract Liabilities	Contract Assets
<u>terminations due to default</u>		
<u>Expense recognition from closed stores</u>	<u>=</u>	<u>(145,460)</u>
<u>Balance, December 31, 2024</u>	<u>\$ 1,958,898</u>	<u>\$ 1,256,497</u>
	Contract Liabilities	Contract Assets
Balance, December 31, 2021	\$ 1,547,905	\$ 985,173
Initial franchise fees received	9 69,700	-
Revenue recognition from initial franchise fees	(57,759)	-
Franchise fees refunded	(10,000)	-
Revenue recognition from franchise agreement terminations due to default	(119,500)	-
Incremental direct costs incurred	-	674,354
Expense recognition from direct costs	-	(40,283)
Expense recognition from franchise agreement	-	<u>(73,165)</u>
Balance, December 31, 2022	2,330,346	1,546,079
Initial franchise fees received	402,965	-

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

Revenue recognition from initial franchise fees	(99,653)	-
Franchise fees refunded	(19,500)	-
Revenue recognition from franchise agreement terminations due to default	(268,675)	-
Incremental direct costs incurred	-	292,280
Expense recognition from direct costs	-	(73,620)
Expense recognition from franchise agreement terminations	-	(202,431)
Balance, December 31, 2023	\$ 2,345,483	\$ 1,562,308

As of December 31, 2023 and 2022 contract liabilities were \$989,063 and \$588,227, respectively, related to stores in operation. [Summary of Significant Accounting Policies \(continued\)](#)

Revenue Recognition (continued)

Initial Franchise Fees, Contract Assets, and Contract Liabilities (continued)

The following table illustrates the estimated revenue ~~from franchise stores opened~~ [recognition of contract liabilities](#) as of December 31, ~~2023 to be recognized~~ 2024 in the future related to performance obligations that are unsatisfied as of December 31, ~~2023~~ 2024:

2024	\$ 191,490
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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

2025	\$ 206,994 <u>206,490</u>
2026	246,787 <u>221,994</u>
2027	254,224 <u>261,787</u>
2028	254,224 <u>269,224</u>
<u>2029</u>	<u>389,319</u>
Thereafter	1,191,764 <u>816,574</u>
	\$ 2,345,483 <u>1,958,898</u>

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Royalty and System Development Fees

Franchisees are required to remit to the Company 5% - 6% of their revenues, as defined, as royalty fees and ~~up to~~ 1-3% of their revenues as system development fees. The Company recognizes these sales-based fees as the underlying franchisee sales occur.

The system development fees may be used at the Company's discretion but are restricted to pay for costs of preparing and producing various advertising and marketing materials for the franchisees' ~~facilities~~ operations. Total system development revenue totaled \$291,445 and \$281,764 and \$178,795 for the years ended December 31, 2024, 2023, and 2022, respectively. The Company incurred ~~approximately~~ \$856,859, \$780,669 and \$796,336 of expenses related to the system development activities for the years ended December 31, 2024, 2023, and 2022, respectively, and is included in selling, general and administrative expenses in the accompanying statements of operations. The Company ~~advanced~~ incurred expenses exceeding revenue earned by approximately \$565,000, \$498,000 and \$618,000, ~~during for the years ended~~ December 31, 2024, 2023, and 2022, respectively, ~~to the system development fund which it expects to recoup through future system development fees. The~~

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

~~Company has not recorded an asset related to these advances due to the uncertain nature of their recoverability.~~

Other Revenue

Other revenues consist of gift card breakage income and rebates revenue received by the Company from vendors that supply food and supplies to franchisees. Rebate revenue amounts are recognized as revenue based on the recovery (i.e., cash received) method.

Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Payment Terms

The Company's revenues do not include material amounts of variable consideration. The time between invoicing and when payment is due is not significant. The Company's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties.

Gift Cards

Gift card liability represents the liability for gift cards that have been sold, but not yet redeemed, and are recorded at the expected redemption value. The Company acts as a clearinghouse for its franchisees' gift card transactions. On a regular basis, franchisees are billed or paid for the amount of the gift card sales over or under gift card redemptions at the respective franchisees' store for the period.

~~Summary of Significant Accounting Policies (continued)~~

~~Gift Cards (continued)~~

The Company records a liability in the period in which a gift card is sold and recognizes costs associated with its administration of the gift card programs as deferred gift card fees when the costs are incurred. The liability and deferred gift card fees recorded on the Company's books are relieved when gift cards are redeemed. If redemption occurs at a franchisee-operated restaurant, the gift card proceeds, net of costs, is remitted to the franchisee.

On a continuing basis, management analyzes the outstanding gift card liability. Gift card breakage is recognized as other revenues based on historical customer usage patterns, in accordance with escheatment laws, with an offset to a gift card reserve account. The reserve account is reviewed regularly and adjusted into earnings as appropriate. ~~As of~~For the year

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

~~ended~~ December 31, ~~2023~~2024 and ~~2022~~2023, the Company recognized \$~~66,484~~70,072 and \$~~0~~66,484, respectively, of gift card breakage which is included in other revenues on the accompanying statements of operations. There was no gift card breakage recognized 2022 due to lack of historical data to estimate the gift card breakage.

Advertising Expenses

The Company expenses all advertising costs as ~~they are~~ incurred. Total advertising costs for the years ended December 31, ~~2024,~~ 2023, and 2022, were ~~\$217,412,~~ \$241,358, and \$300,000, respectively, and are included in selling, general, and administrative expenses in the accompanying statements of operations.

Summary of Significant Accounting Policies (continued)

Income Taxes

The Company is organized as a limited liability company and is taxed as a partnership under the provisions of the Internal Revenue Code; therefore, the Company is not subject to federal and state income taxes. Each member reports their distributive share of the income, gains, losses, deductions and credits of the Company on their federal and state income tax returns. As a result, no federal income tax is imposed on or recorded by the Company.

The Company accounts for uncertainty in income taxes in its financial statements as required under ASC 740, *Income Taxes*. The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition accounting. As of December 31, ~~2024,~~ 2023, and 2022, management determined there were no material uncertain positions taken by the Company in its tax returns that qualify for either recognition or disclosure in the financial statements.

Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

~~Effective January 1, 2023, the Company adopted the provisions and disclosure requirements described in ASC Topic 326, *Financial Instruments – Credit Losses* (ASC 326). ASC 326 sets forth a current expected credit loss (CECL) model, which requires the Company to measure all expected credit losses for financial assets (or a group of financial assets) held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. The standard replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost, such as accounts receivable~~

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

~~and related allowances. The adoption of ASC 326 did not have a material effect to the accompanying financial statements.~~

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash ~~and accounts receivable.~~

The Company places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Company, from time to time, may have amounts on deposit in excess of the insured limits. As of December 31, ~~2024, 2023,~~ and 2022, the Company did not have balances in excess of these insured amounts.

Notes Payable Long-term Debt

~~Notes payable~~ Long-term debt consisted of the following as of December 31:

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

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Notes to Financial Statements

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Notes to Financial Statements

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Notes to Financial Statements

December 31, 2024, 2023, and 2022



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Notes to Financial Statements

December 31, 2024, 2023, and 2022

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Notes to Financial Statements

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Notes to Financial Statements

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Notes to Financial Statements

December 31, 2024, 2023, and 2022

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Economic Injury Disaster Loan funded by the U.S.	<u>150,000</u>	<u>150,000</u>

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022



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Notes to Financial Statements

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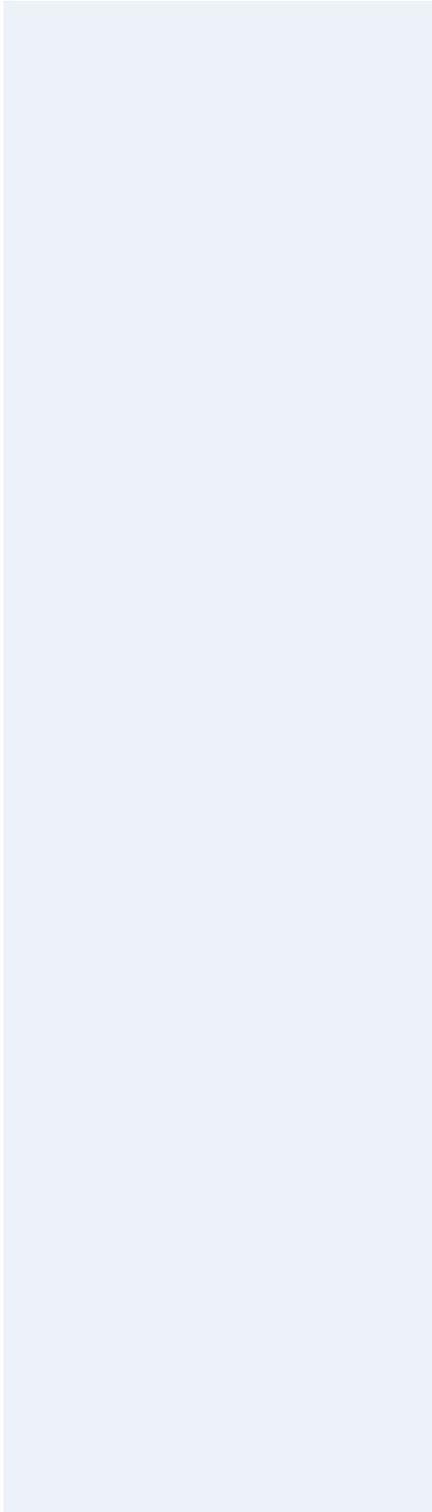
JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022



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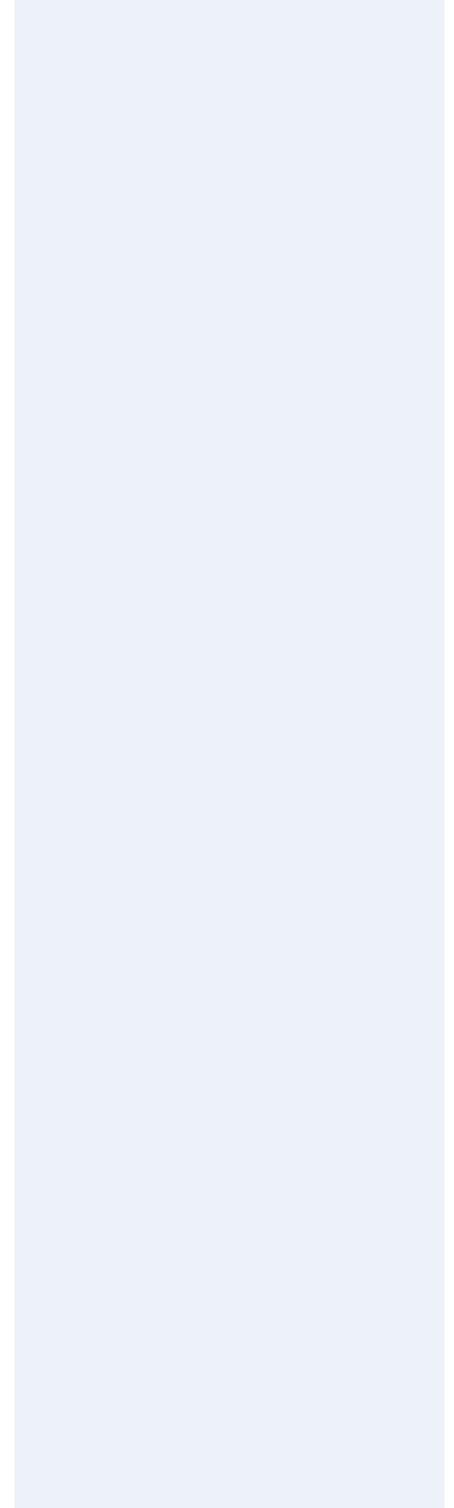
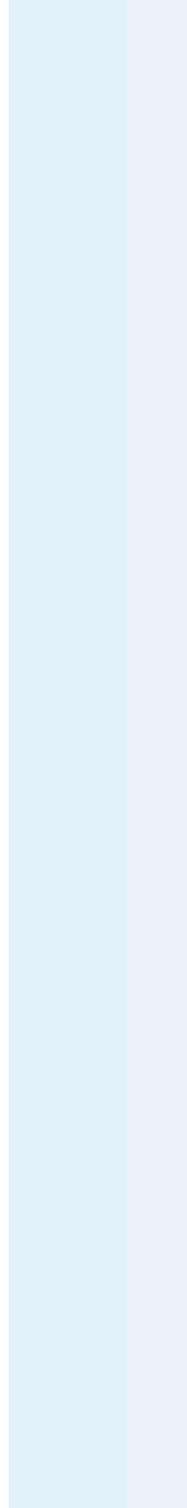
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Notes to Financial Statements

December 31, 2024, 2023, and 2022

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Notes to Financial Statements

December 31, 2024, 2023, and 2022



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Notes to Financial Statements

December 31, 2024, 2023, and 2022



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Notes to Financial Statements

December 31, 2024, 2023, and 2022

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Notes to Financial Statements December 31, 2024, 2023, and 2022

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Notes Payable Long-term Debt (continued)

Future maturities of long-term debt are as follows as of December 31:

Future principal payments over the next five years and thereafter as of December 31, 2024 are as follows:

2024	\$ 1,920,051
2025	\$ 200,941,354,960
2026	40,901,203,085
2027	3,968,182,240
2028	4,119,195,800
2029	210,896
Thereafter	127,795,449,461
	\$ 569,775,1596,443

Lines of Credit

Related Party Line of Credit – Related Party

The Company entered into an unsecured line of credit arrangement in connection with a contribution agreement between the Parent and a member of the Parent. Proceeds from the related party line of credit are used for the operations of the Company. The related party line of credit bears interest at 5.75% per annum and has no maturity date and therefore is

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JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

presented as a ~~current~~noncurrent liability in the accompanying balance sheets. The Company paid approximately \$22,000 of interest expense during the years ended December 31, 2024, 2023, and 2022. The Company paid ~~approximately \$0~~, \$0, and \$18,552 of principal payments to the related party during the years ended December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, 2023, and 2022, the Company owed \$384,362 related to this related party line of credit.

Line of Credit

~~The~~During 2024, the Company entered into ~~a~~an amended line of credit agreement with a commercial lender ~~that to term out \$1,300,000 of the line of credit balance (see Notes Payable note). In conjunction with the term out, the amended line of credit borrowing capacity was reduced to \$1,300,000. The line of credit bears interest at the greater of the prime rate plus 0.5% or 8.5% and matures in August 2025. The line of credit is guaranteed by related parties and collateralized by substantially all assets of the Company.~~

The Company's previous line of credit agreement with the same commercial lender allowed for borrowings of up to \$1,600,000. The line of credit bore interest at the greater of prime rate plus 0.5% or 3.25% (7.50% at December 31, 2022) and was to mature in February 2023. In January 2023, the Company entered into an amended agreement with the commercial lender, which ~~allows~~allowed for borrowings up to \$2,100,000. The line of credit ~~bears~~bore interest at the greater of the prime rate plus 0.5% or 7.0% (9% at December 31, 2023) and matured in January 2024. As of December 31, 2024, 2023 and 2022, the line of credit has an outstanding balance of \$1,300,000, \$2,095,000, and \$1,600,000, respectively. ~~See Subsequent Events footnote.~~

Lines of Credit (continued)

Line of Credit (continued)

The line of credit is cross collateralized with the promissory note agreement in the *Notes Payable* ~~footnote~~note above. The debt with the commercial lender is subject to a minimum combined global debt service coverage ratio/minimum combined liquidity, as defined, which is measured on the last day of each quarter. The combined coverage ratio is measured based on the Company and Guarantors' liquidity, as defined in the agreement. The Company was in compliance with these covenants for the years ended December 31, 2024, 2023 and 2022.

Related Party Transactions

Related Party Notes Payable

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

During 2023, the Company borrowed \$696,861 from its Parent company. There ~~is~~was no formal agreement in place, though the Company ~~is~~was expected to repay the debt in interest ~~only~~ payments until July 2024, and then monthly principal and interest payments of \$17,292 for 48 months. Interest ~~is~~was being incurred at 8.50% and maturity ~~is~~was September 2028. ~~Future maturities of related party notes payable are as follows as of December 31: During 2024, the Parent company determined that this amount should be treated as a member contribution to the Company and the Company is no longer required to make payments.~~

2024	\$ 76,372
2025	159,494
2026	173,592
2027	188,936
2028	98,467
	<u>\$ 696,861</u>

Due to and Due from Related Parties

Amounts due to related parties consists of the following transactions:

- As of December 31, ~~2024, 2023,~~ and 2022, there is ~~\$151,4350, \$40,000,~~ and \$40,000 due to entities under common ownership, respectively. As of December 31, ~~2024,~~ 2023, and 2022, there is ~~\$4,9200, \$0,~~ and \$45,735, due from entities under common ownership, respectively. Amounts were non-interest bearing and had no formal repayment terms.
- As of December 31, ~~2024, 2023,~~ and 2022, there is ~~\$94,335,~~ \$136,615 and \$131,720, respectively ~~is,~~ due to Franchise Opportunity Consultants ("FOC"), an entity owned by certain members of the Parent, in connection with royalty and commissions agreements described below.
- ~~\$65,267~~ ~~as~~As of December 31, ~~2024, 2023,~~ ~~is~~and 2022, the amount due from a member of the Parent company who received an advance from the Company ~~was \$0,~~ \$65,267, and \$0, respectively. Amounts were non-interest bearing and had no formal repayment terms. ~~As of December 31, 2024, this balance was assumed by the Parent Company and converted into a distribution to the Parent Company.~~
- ~~Approximately \$361,775 as of December 31, 2023~~ ~~As of December 31, 2024, 2023,~~ and 2022, the amount is due from the Parent company ~~was \$0, \$361,775, and \$0,~~ respectively. Amounts were non-interest bearing and had no formal repayment terms,

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

and relate to an allocation of expenses. As of December 31, 2024, this balance was converted into a contribution to the Company.

Related Party Transactions (continued)

Due to and Due from Related Parties (continued)

The Company has a related party line of credit with a related party through common ownership. See *Related Party Line of Credit* note above.

Related Party Transactions (continued)

Royalty Fees Management Services

The Company entered into an agreement with FOC to pay a fee of 10% of royalty fees received by the Company in exchange for management services. During the years ended December 31, 2024, 2023, and 2022, the Company incurred ~~expense of expenses of \$125,090 and~~ \$109,927, and \$83,324, respectively, pursuant to this agreement and is included in selling, general, and administrative expenses in the accompanying statements of operations.

Commissions

The Company has entered into an agreement with FOC to provide for commissions in exchange for the sale of new franchise agreements. During the years ended December 31, 2024, 2023, and 2022, the Company incurred commission-related charges of approximately \$75,755, \$119,000, and \$339,000, respectively, pursuant to this agreement. In accordance with ASC 606, these fees are capitalized as contract assets when paid and recognized ~~to expense as~~ expenses over the same period as the initial franchise fee revenue, which is recognized as a component of selling, general, and administrative expenses as described above.

Franchise locations

A member of the Parent owns two franchise locations. Pursuant to the related party franchise agreements, no initial franchise fees were due for these Cafes. One of these locations is not subject to pay royalty fees but is subject to pay system development fees. The other location is subject to pay both royalty and system development fees. The Company recognized royalty and system development fees from these franchise locations totaling approximately \$60,000, \$57,000, and \$50,000, and represented a receivable of \$1,243 for the years ended December 31, 2024, 2023, and 2022, respectively, and recorded \$4,643, \$5,431, and \$1,104,324 of

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

system development fees receivable and ~~\$4,188 and \$3,220 of~~ royalties receivable ~~for the years ended~~ as of December 31, 2024, 2023, and 2022, respectively.

Reimbursements

FOC reimburses the Company for use of its office space on a monthly basis. In 2024, this was discontinued. For the years ended December 31, 2024, 2023, and 2022, reimbursements received amounted to \$0, \$18,000, ~~for each year~~, and \$18,000, respectively, and are recorded as a component of selling, general and administrative expenses on the accompanying statements of operations.

Leases

The Company has one operating lease for the office space for its corporate operations. The Company's lease has a remaining lease term of 2.21.2 years. The lease term is generally the minimum of the cancelable period or the lease term including renewal options which are reasonably certain of being exercised.

The Company is also generally obligated to pay certain real estate taxes, insurance and common area maintenance (CAM) charges, and various other expenses related to properties. These charges are expensed as incurred. As of December 31, 2024, 2023, and 2022, the Company's only lease is classified as an operating lease.

Leases (continued)

The maturity of the operating lease liability as of December 31, ~~2023~~2024 was as follows:

	Operating Lease
2024	\$ 1,472,400
2025	\$ 148,420
2026	<u>37,109</u>
Total undiscounted cash flows	332,769 <u>185,529</u>
Less: present value discount	(4,900) <u>1,473</u>
Total lease liabilities	\$ 327,869<u>184,056</u>

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements December 31, 2024, 2023, and 2022

Components of operating lease costs are included in selling, general and administrative expenses for the years ended December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ <u>119,514</u>	\$ 119,514	\$ 119,514
Sublease income	=	(21,600)	(21,600)
Other lease expense	<u>5,295</u>	4,422	2,620
Total lease expense	\$ <u>124,809</u>	\$ 102,336	\$ 100,534

	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ <u>141,114</u>	\$ 141,114
Sublease income	<u>(21,600)</u>	(21,600)
Other lease expense	<u>4,422</u>	<u>2,620</u>
Total lease expense	\$ <u>123,936</u>	\$ 122,134

The following summarizes additional information related to leases for the years ended December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating cash flows from operating leases	\$ <u>138,000</u>	\$ 112,800	\$ 112,800
Operating lease asset obtained in exchange for operating lease liability	-	-	-
Weighted-average remaining lease term in years for operating leases	<u>1.20</u>	<u>1.37%</u>	<u>3.20</u>
Weighted-average discount rate for operating leases	<u>1.37%</u>	<u>1.37%</u>	<u>1.37%</u>
Cash paid for amounts included in the measurement of lease liabilities	<u>2.20</u>	<u>3.20</u>	<u>3.20</u>
Weighted-average discount rate for operating leases	<u>1.37%</u>	<u>1.37%</u>	<u>1.37%</u>

Commitments and Contingencies

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

Litigation

From time to time, the Company is subject to lawsuits and other charges from franchisees and employees, which are typical within the industry. In the opinion of management, any open matters will not have a material effect ~~upon~~ the financial position of the Company.

Guarantee

~~The~~In 2023, the Company ~~has~~ provided a guarantee on a loan between a financial institution and its Parent (see *Related Party* footnote). The loan guarantee was ~~\$662,901 and~~ \$696,861 as of December 31, ~~2023~~2024 and 2023, respectively. The Company's maximum exposure to loss under these guarantees represents the aggregate amount of principal and interest outstanding on the loans guaranteed. The guaranteed amount was loaned to the Company by the Parent, as noted in the *Related Party* footnote, as such, the amount is recorded as a liability on the Company's in notes payable – related party and current portion of related party notes payable on the accompanying balance sheets.

Subsequent Events

Management has evaluated subsequent events through the date of the Independent Auditor's Report, the date on which the financial statements were available to be issued.

~~Notes Payable and Line of Credit~~

~~Subsequent to year end, the Company entered a promissory note with a commercial lender for \$1,300,000, resulting from a term out of the line of credit. This note is payable in equal monthly principal and interest installments of \$19,849 which includes interest at 7.25%, and matures May 21, 2031.~~

~~In conjunction with the above, the Company entered into an amended line of credit agreement with the commercial lender which allows for borrowings of up to \$1,300,000. The line of credit bears interest at the greater of prime rate plus 0.5% or 8.5% and matures August 2025.~~

~~Area Development and Franchise Agreements~~

~~Subsequent to year-end, the Company has entered into three~~executed four new franchise agreements. ~~with an initial term of 10 years and franchise fees ranging from \$25,000 to \$39,000.~~

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

Notes to Financial Statements

December 31, 2024, 2023, and 2022

Franchise store openings

In addition, five ~~Subsequent to year-end, four~~ franchised cafés opened and two franchised cafés closed.

See Independent Auditor's Report.

JUST LOVE FRANCHISE GROUP, LLC

THESE FINANCIAL STATEMENTS
ARE PREPARED WITHOUT AN AUDIT.

*As of and for the Years Ended December 31, 2021,
2020, and 2019*

And Report of Independent Auditor

JUST LOVE FRANCHISE GROUP, LLC
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PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED
THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR
EXPRESSED HIS OR HER OPINION WITH REGARD TO THE CONTENT OR FORM.

FINANCIAL STATEMENTS

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To the Member

Just Love Franchise Group, LLC

Franklin, Tennessee

~~Opinion~~ Balance Sheet

As of May 31, 2025

	<u>TOTAL</u>
ASSETS	
<u>Current Assets</u>	
<u>Bank Accounts</u>	
<u>1010 UCBI Bank 8904-JLF</u>	<u>3,386.60</u>
<u>1014 Checking UCBI x9632</u>	
<u>1018 UCBI X4382 - GC</u>	<u>48.78</u>
<u>1025 Owners Conference Checking</u>	<u>0.04</u>
<u>1072 Bill.com Money Out Clearing</u>	<u>1,000.00</u>
<u>Total Bank Accounts</u>	<u>\$4,770.34</u>
<u>Other Current Assets</u>	
<u>1110 Receivable - Royalties</u>	<u>116,974.00</u>
<u>1111 Receivable - SD Fees</u>	<u>28,721.77</u>
<u>1115 Receivable - Tech Fees</u>	<u>1,500.00</u>
<u>1120 Receivable - Rebates</u>	<u>17,774.60</u>
<u>1200 Prepaid Expenses</u>	<u>9,673.93</u>
<u>1251 Contract Asset- Current</u>	<u>297,061.67</u>
<u>Deferred Gift Card Receivable</u>	<u>62,581.51</u>
<u>Related Party Receivables</u>	<u>85,000.00</u>
<u>Total Other Current Assets</u>	<u>\$619,287.48</u>
<u>Total Current Assets</u>	<u>\$624,057.82</u>
<u>Fixed Assets</u>	
<u>1300 Furniture and Equipment</u>	<u>17,504.58</u>
<u>Total Fixed Assets</u>	<u>\$17,504.58</u>
<u>Other Assets</u>	
<u>1252 Contract Asset - Long Term</u>	<u>962,138.52</u>
<u>1269 Right to Use Assets- Lease</u>	<u>98,961.80</u>
<u>1501 Loan Origination Fees</u>	<u>7,640.85</u>
<u>Total Other Assets</u>	<u>\$1,068,741.17</u>
<u>TOTAL ASSETS</u>	<u>\$1,710,303.57</u>

LIABILITIES AND EQUITY

Liabilities

Current Liabilities

Accounts Payable

2000 Accounts Payable

357,882.65

Total Accounts Payable

\$357,882.65

Credit Cards

2012 Credit Card

11,824.13

2015 BILL Spend and Expense

10,431.96

Accrual Basis Wednesday, July 2, 2025 04:46 PM GMT-05:00

1/2

~~We have audited the accompanying financial statements of~~ **Just Love Franchise Group, LLC** ~~(the "Company") which comprise the balance sheets as of December 31, 2021, 2020, and 2019, and the related statements of operations, changes in member's deficit, and cash flows for the years then ended, and the related notes to the financial statements.~~

~~In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021, 2020, and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.~~

Basis for Opinion

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

Balance Sheet

Emphasis of Matter

~~As discussed in Note 3 to the financial statements, the Company has experienced net losses and negative cash flow from operations since the period from Inception. Management's plans in regard to this matter is described in Note 3. Our opinion is not modified with respect to this matter.~~

Responsibilities of Management for the Financial Statements

~~Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation,~~

and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



Tampa, Florida

April 19, 2022

BALANCE SHEETS

DECEMBER 31, 2021, 2020, AND 2019 [As of May 31, 2025](#)

	2021	2020	2019
ASSETS			
Current Assets:			
Cash	\$ 136,295	\$ 31,039	\$ 194,924
Accounts Receivable:			
Royalties receivable	59,573	32,604	19,159
System development fees receivable	12,530	7,073	4,518
Related party	4,406		-
Contract assets—current	70,769	40,683	37,178
Prepaid expenses and other current assets	49,319	<u>27,569</u>	22,962
Total Current Assets	<u>332,892</u>	<u>138,968</u>	<u>278,741</u>

Contract assets, net of current portion	935,071	504,108	537,345
Note receivable	25,000	25,000	—
Property, plant, and equipment, net	27,267	28,654	—
	<u>\$ 1,320,230</u>		<u>\$ 816,086</u>
Total Assets		\$ 696,730	
LIABILITIES AND MEMBER'S DEFICIT			
Current Liabilities:	\$		
Line of credit	728,174	\$ —	\$ —
Line of credit, related party	402,914	483,496	160,000
Accounts payable and accrued expenses	63,532	109,580	42,672
Due to related parties	62,843	85,454	—
Advances from Parent	—	—	48,326
Gift card liability	206,797	113,024	62,044
Contract liabilities – current	104,850	57,898	56,381
Current portion of long-term debt	180,338	102,127	47,533
	—	—	—
Total Current Liabilities	1,749,448	951,579	416,953
Deferred rent liability	79,775	29,635	-
Contract liabilities – long-term	1,443,055	714,917	784,863
Long-term debt – long-term, net of unamortized deferred loan costs of \$3,997	901,450	311,092	150,491
	—	—	—
Total Liabilities	4,173,728	2,007,223	1,352,307
Commitments and contingencies (Notes 7 and 8)	—	—	—
Member's Deficit:			
Member advances	(488,692)	(453,692)	(267,153)
Member's deficit	(2,364,806)	(856,801)	(269,068)
	—	—	—
Total Member's Deficit	(2,853,498)	(1,310,493)	(536,221)
	—	—	—
Total Liabilities and Member's Deficit	\$ 1,320,230	\$ 696,730	\$ 816,086

OPERATIONS

-31, 2021, 2020, AND 2019

	2021	2020	2019
Revenues:			
Initial franchise fees	\$ 199,011	\$ 139,429	\$ 29,356
Royalty fees	630,505	272,076	188,814

System development fees	132,486	54,246	44,173
Other revenue	19,487		-

	981,489	465,751	262,343
Selling, general, and administrative expenses	2,205,339	1,793,941	1,103,505
Loss from Operations	(1,223,850)	(1,328,190)	(841,162)
Other Income (Expenses):			
Other income	4,600		
Gain on forgiveness of Paycheck Protection Program loan	100,180		
Interest expense	(71,050)	(32,543)	(14,670)

	<u>TOTAL</u>
<u>Total Credit Cards</u>	<u>\$22,256.09</u>
<u>Other Current Liabilities</u>	
2085 Accrued F&E	-544.45
2090 Accrued Expenses	12,876.33
2091 Other Liabilities - ReCee	19,000.00
2099 Accrued Payroll	33,494.62
2201 Contract Liability- Current	451,833.69
2476 Lease Liability- Short term	123,076.08
2880 N/P - Old National #18203-100 S/T	149,513.31
2881 N/P - Old National #18203-110 LOC	1,300,000.00
2882 N/P - Old National #18203-120 S/T	238,189.92
Due to Related Parties	26,312.30
Gift Card Liability	372,270.44
<u>Total Other Current Liabilities</u>	<u>\$2,726,022.24</u>
<u>Total Current Liabilities</u>	<u>\$3,106,160.98</u>
<u>Long-Term Liabilities</u>	
2200 Contract Liabilities	1,526,355.80
2300 Line of Credit- Bergauer	384,361.94
2400 SBA-EIDL #8213277909	154,275.43
2842 N/P - Old National #18203-120 L/T	914,370.12
<u>Total Long-Term Liabilities</u>	<u>\$2,979,363.29</u>
<u>Total Liabilities</u>	<u>\$6,085,524.27</u>
<u>Equity</u>	<u>\$ -4,375,220.70</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$1,710,303.57</u>
<u>Total Other Income, Net</u>	<u>33,730</u>
	<u>(32,543)</u>
	<u>(14,670)</u>

Net Loss	\$ (1,190,120)	\$ (1,360,733)	\$ (855,832)
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CHANGES IN MEMBER'S DEFICIT

31, 2021, 2020, AND 2019

	Member's Deficit	Member Advances	Total Member's Deficit
Balance, January 1, 2019	\$ (342,236)	\$ (100,475)	\$ (442,711)
Cumulative adjustment for adoption of new accounting pronouncement (ASC 606) - (Note 4)	184,000	-	184,000
Contributions	745,000	-	745,000
Member advances	-	(166,678)	(166,678)
Net loss	<u>(855,832)</u>	<u>-</u>	<u>(855,832)</u>
Balance, December 31, 2019	(269,068)	(267,153)	(536,221)
Contributions	698,000	-	698,000
Reclassification of contract liabilities as member contributions (Note 7)	75,000	-	75,000
Member advances	-	(186,539)	(186,539)
Net loss	<u>(1,360,733)</u>	<u>-</u>	<u>(1,360,733)</u>
Balance, December 31, 2020	(856,801)	(453,692)	(1,310,493)
Contributions	5,250	-	5,250
Distributions	(323,135)	-	(323,135)
Member advances	-	(35,000)	(35,000)
Net loss	<u>(1,190,120)</u>	<u>-</u>	<u>(1,190,120)</u>
Balance, December 31, 2021	<u>\$ (2,364,806)</u>	<u>\$ (488,692)</u>	<u>\$ (2,853,498)</u>

CASH FLOWS

31, 2021, 2020, AND 2019

2021

2020

2019

Cash flows from operating activities:

Net loss	\$ (1,190,120)	\$ (1,360,733)	\$ (855,832)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Depreciation expense	2,479	—	—
Amortization of deferred loan costs	1,126	—	—
Gain of forgiveness of Paycheck Protection Program loan	(100,180)	—	—
Change in operating assets and liabilities:			
Royalties and system development fees receivable	(32,426)	(16,000)	(15,624)
Contract assets	(461,049)	29,732	(390,523)
Prepaid expenses and other current assets	(21,750)	(4,607)	(22,962)
Accounts payable	(46,048)	66,908	9,237
Gift card liability	93,773	50,983	62,041
Contract liabilities	775,090	6,571	561,244
Deferred rent liability	50,140	29,635	—
Net cash flows from operating activities	<u>(928,965)</u>	<u>(1,197,511)</u>	<u>(652,419)</u>

Cash flows from investing activities:

Purchase of fixed assets	(1,092)	(28,654)	—
Issuance of note receivable	—	(25,000)	—
Net cash flows from investing activities	<u>(1,092)</u>	<u>(53,654)</u>	<u>—</u>

Cash flows from financing activities:

Proceeds from long-term debt	1,078,830	250,180	—
Principal payment on long-term debt	(388,945)	(34,985)	(43,451)
Proceeds from line of credit	730,453	—	—
Proceeds from line of credit, related party	—	323,496	160,000
Payment of deferred loan costs	(5,123)	—	—
(Payments to) advances from Parent	—	(48,326)	48,326
Member distributions	(323,135)	—	—
Member advances	(35,000)	(186,539)	(123,026)
Advances from related parties	(27,017)	85,454	—
Member contributions	5,250	698,000	745,000
Net cash flows from financing activities	<u>1,035,313</u>	<u>1,087,280</u>	<u>786,849</u>

Net change in cash	105,256	(163,885)	134,430
Cash, beginning of period	31,039	194,924	60,494
Cash, end of period	<u>\$ 136,295</u>	<u>\$ 31,039</u>	<u>\$ 194,924</u>

CASH FLOWS (CONTINUED)

-31, 2021, 2020, AND 2019

	2021	2020	2019
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 71,050	\$ 32,543	\$ 14,670
Supplemental disclosure of noncash flow information:			
Cumulative adjustment for adoption of new accounting pronouncement (ASC 606)			\$ -
	\$ -	\$ 184,000	
Reclassification of contract liabilities as member contributions	\$ -	\$ 75,000	\$ -

1—Nature of business and summary of significant accounting policies

Nature and Organization of Business—Just Love Franchise Group, LLC (the “Company”) was organized as a limited liability company in Florida on February 9, 2018. The Company was established to develop and franchise Just Love Cafes (the “Cafes”) throughout the United States. The Cafes will offer a variety of upscale coffee and tea, as well as a waffle based menu.

There were 23, 18, and 11 Cafes operating as of December 31, 2021, 2020, and 2019, respectively. Under the terms of these Cafes’ franchise agreements, these Cafes pay monthly royalty fees and system development fees, as described below.

Royalties and System Development Fees Receivable—Royalties and system development fees receivable are due from franchisees for monthly royalty and system development fees. The Company does not require collateral for its receivables. Management performs ongoing credit evaluations of its franchisees and establishes an allowance for estimated uncollectible accounts when the potential for such losses becomes probable. Management believes no allowance for uncollectible receivables was necessary at December 31, 2021, 2020, and 2019.

Accounting Pronouncement Adopted in 2019—In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Subsequent to ASU 2014-09, FASB issued several related ASUs (collectively, “ASC 606”). The Company adopted the provisions of ASU 2014-09 and related ASUs as of January 1, 2019 using a modified retrospective approach.

The Company recorded a net increase to member’s deficit as of January 1, 2019 of \$184,000 due to the cumulative impact of adopting ASC 606, with the impact primarily related to a change in the recognition of commissions paid for initial franchise fees.

Revenue Recognition—See Note 2.

The cumulative effect of adopting ASC 606 effective January 1, 2019 on the Company’s balance sheet was as follows:

	As Previously	ASC 606			
			Reported	Adjustments	As Adjusted
Assets:					
Contract assets – current			\$ _____	\$ <u>5,750</u>	\$ <u>5,750</u>

Contract assets, net of current portion	\$ <u> </u>	\$ <u>178,250</u>	\$ <u>178,250</u>
Member's deficit	\$ <u>(442,711)</u>	\$ <u>184,000</u>	\$ <u>(258,711)</u>

1—Nature of business and summary of significant accounting policies (continued)

~~*Note Receivable*—The Company advanced \$25,000 to a franchisee owner in the form of a non-interest bearing note receivable in order to facilitate the franchisee's ability to complete construction and build out of its first location. The note receivable matures upon the earlier of (1) the opening of the franchisee's second location or (2) 12 months after the opening date of the first location, at which any outstanding principal is due. The franchisee owner opened their first location on December 4, 2020; however, in December 2021, the Company extended the due date of the loan to June 4, 2022. If the note is not paid at maturity, it shall bear interest at 2% per annum until paid in full. There were no payments received on the note receivable during 2021.~~

~~*Property and Equipment*—Property and equipment relates to the Company's website which placed into service in September 2021 and is stated at cost. Depreciation is provided based on the straight-line method over the estimated useful life of the asset, which is three years.~~

~~*Deferred Rent*—Rent expense for the Company's operating lease, which has escalating rentals over the term of the lease, is recorded on a straight-line basis over the initial lease term. The difference between rent expense and rent paid is recorded as deferred rent liability in the accompanying balance sheets.~~

~~*Advertising Expenses*—The Company expenses all advertising costs as they are incurred. Total advertising costs for the fiscal years ended December 31, 2021, 2020, and 2019 were approximately \$226,000, \$191,000, and \$73,000, respectively, and are included in selling, general, and administrative expenses in the accompanying statements of operations.~~

~~*Income Taxes*—The Company is a limited liability company and is taxed as a partnership under the provisions of the Internal Revenue Code. Under this election, the members of Just Love Enterprises, LLC ("Parent") include their respective share of taxable income or loss of the Company in their individual tax returns. As a result, no federal income tax is imposed on or recorded by the Company.~~

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

~~*Subsequent Events*—The Company has considered subsequent events through April 19, 2022, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. See Note 9.~~

Note 2—Revenue recognition [Profit and Loss](#)

Revenue consists of initial franchise fees, royalty fees, and system development fees. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a franchisee.

Performance Obligations—A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

2—Revenue recognition (continued)

Initial Franchise Fees, Contract Assets, and Contract Liabilities—The Company typically receives a nonrefundable initial franchise fee ranging from \$25,000 to \$39,000 for any new franchise. The franchise fee is based on the number of Cafes included in the franchise agreement. In exchange for the initial franchise fee the Company provides its franchisees with management expertise, training, pre-opening assistance, and restaurant operating assistance.

The initial franchise fees are included in contract liabilities upon receipt as they are not considered distinct performance obligations under ASC 606. Revenue from the initial franchise fees is recognized beginning when the performance obligation commences and continuing over the life of the franchise agreements. The Company typically grants franchise rights to franchisees for a term of 10 years. The Company considers the opening of the franchises to be when the performance obligation commences.

The Company has agreements with certain third party providers to facilitate the sale of franchises. The terms of these agreements require that the Company pay commissions to these providers for each franchise that is sold. Under ASC 606, these commissions are recorded as contract assets and recognized beginning when the performance obligation commences through the life of the franchise agreement which is the same term over which the revenue is recognized.

The Company has recorded both the current portion and the long-term portion of contract assets and contract liabilities. The current portions consist of the Company's estimate of commission expense and revenue, which is expected to be recognized within one year of the balance sheet date based on the Cafes that are expected to commence operations.

Royalty and System Development Fees—Franchisees are required to remit to the Company 5% of their revenues, as defined, as royalty fees and up to 3% of their revenues as system development fees. The system development fee was 1% during 2021, 2020, and 2019. The Company recognizes these sales-based fees as the underlying franchisee sales occur.

The system development fees may be used at the Company's discretion but are restricted to pay for costs of preparing and producing various advertising and marketing materials for the franchisees' facilities. Total system development revenues totaled approximately \$132,000, \$54,000, and \$44,000 for the years ended December 31, 2021, 2020, and 2019, respectively. The Company incurred approximately \$669,000, \$475,000, and \$225,000 of expenses related to the system development activities for the years ended December 31, 2021, 2020, and 2019 respectively, and is included in selling, general and administrative expenses in the accompanying statements of

operations. During the years ended December 31, 2021, 2020, and 2019, the Company advanced approximately \$493,000, \$143,000, and \$191,000, respectively, to the system development fund which it expects to recoup through future system development fees. The Company has not recorded an asset related to these advances due to the uncertain nature of their recoverability.

Other Revenue—Other revenue consist of rebates received by the Company from vendors that supply food and supplies to franchisees. These amounts are recognized as revenue as the thresholds of product purchases by the Company's franchisees are met.

Payment Terms—The Company's revenues do not include material amounts of variable consideration. The time between invoicing and when payment is due is not significant. The Company's contracts with customers do not generally result in significant obligations associated with returns, refunds, or warranties.

2—Revenue recognition (continued)

Practical Expedients—The Company applies the following practical expedient in the application of ASC 606:

The Company treats similar contracts as part of a portfolio of contracts, primarily sales of franchise agreements. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

Note 3—Liquidity and management's plan

During the year ended December 31, 2021, the Company had a net loss of approximately \$1,197,000 and negative cash flows from operations of approximately \$983,000. Through December 31, 2021, the Company has principally financed its operations through the use of Paycheck Protection Program ("PPP") round two funds received in February 2021 and new debt financing entered into in February 2021 (see Note 5 and 6) with a thirdparty lender. The Company currently has 23 open stores as of December 31, 2021, expects to open approximately 15 to 18 stores during 2022, and has over 20 other executed franchise agreements in the development or construction phase. The Company has also executed seven franchise agreements in 2022 (see Note 9) and expects to execute approximately 40 total new franchises during 2022. While the Company expects to improve its results of operations during the year ended December 31, 2022 through the sale of additional franchises and opening of new stores, the Company will rely on draws from the line of credit renewal in January 2022. The renewed line increased maximum borrowings from \$750,000 to \$1,600,000 (see Note 5) which the Company will use to assist in sustaining operations. To the extent the Company's available cash is insufficient to satisfy its longterm requirements (at least one year from report date), the Company will rely on funding from a member of the Company's Parent company.

Note 4—Concentrations of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable.

The Company places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Company from time to time

~~may have amounts on deposit in excess of the insured limits. As of December 31, 2021, the Company did not have balances in excess of these insured amounts.~~

~~Concentrations of credit risk for accounts receivable are limited due the number of franchisees comprising the Company's franchise network. The Company extends credit to franchisees based on the terms stated in the respective franchise agreement and generally does not require collateral from individual franchisees. Credit losses are provided for in the Company's financial statements based on the credit risk of specific customers and franchisees.~~

5—Lines of credit

~~*Related Party Line of Credit*—The Company entered into a line of credit arrangement in connection with a contribution agreement between the Parent and a member of the Parent. Proceeds from the related party line of credit are used for the operations of the Company. The related party line of credit bears interest at 5.75% per annum and has no maturity date and therefore is presented as a current liability in the accompanying balance sheets. The Company incurred approximately \$25,000, \$24,000, and \$-0 of interest expense to the related party during the years ended December 31, 2021, 2020 and 2019, respectively, related to the related party line of credit.~~

~~*Line of Credit*—In February 2021, the Company entered into a line of credit agreement with the same commercial lender as the new promissory note described in Note 6 that allows for borrowings of up to \$750,000. The line of credit bears interest at the greater of prime rate plus 0.5% or 3.25% (4.00% at December 31, 2021) and matures in March 2023. The line of credit was subject to the same minimum debt service coverage ratio as the new promissory note discussed in Note 6.~~

~~In January 2022, the Company renewed the line of credit which increased the maximum borrowings of up to \$1,600,000. There were no changes to interest rate or maturity date. Upon renewal, the original minimum debt service coverage ratio was replaced to a minimum combined global debt service coverage ratio/minimum combined liquidity, as defined, which is measured on the last day of each quarter. The combined coverage ratio is measure based on the Company and Guarantors liquidity, as defined.~~

6—Long-term debt

781,955

Notes payable consisted of the following as of December 31:

Promissory note agreement with a commercial lender in the original amount of \$250,000. The note bore interest at a rate of 6.0%, per annum, and required monthly principal payments of approximately \$3,600 plus accrued interest beginning November 2018 and through maturity. The note was paid off in connection with refinance as discussed below.

150,000 150,000

Promissory note agreement entered into in February 2021 with a commercial lender in the amount of \$925,000, which was used to pay off the previous promissory note. The note bears interest at 3.5% per annum, matures in March 2026, and requires monthly principal and interest payments of \$16,846 beginning in March 2021. Promissory note is subject to a minimum debt service coverage measured annually beginning on December 31, 2021.

100,180

153,830

Economic Injury Disaster Loan funded by the U.S. Small Business Administration ("SBA"). The note bears interest at a rate of 3.75% per annum, matures in June 2050, and requires monthly interest and principal payments of \$731 beginning in December 2022 and through maturity.

PPP loan (round 1) bore interest at % per annum. During the year ending December 31, 2021, the Company received a notice of forgiveness from the SBA and recognized a gain on loan forgiveness of approximately \$100,000 during the year ended December 31, 2021.

PPP loan (round 2) bears interest at 1% per annum. During 2022, the Company received a notice of forgiveness from the SBA and expects to recognize loan forgiveness income for this amount during the year ended December 31, 2022.

Total long-term debt

Less current portion

Less unamortized deferred loan costs

(3,997)

Long-term portion

\$ 901,450

\$ 311,092

\$ 150,491

2021

2020

2019

\$ 163,039 \$ 198,024

6—Long-term debt (continued)

Future maturities of long-term debt are as follows as of December 31, 2021 (excluding forgiven PPP loans):

Years Ending December 31, January - May, 2025

	<u>TOTAL</u>
<u>Income</u>	
<u>3010 Royalty Income</u>	467,908.16
2022 <u>3020 System Development Fees</u>	\$ 180,339.114.
	<u>180.92</u>
2023 <u>3030 Franchise Fees</u>	186,990.154.
	<u>707.75</u>
<u>3050 Vendor Rebates</u>	62,135.27
2024 <u>4150 Tech Fee Income</u>	193,763.30.6
	<u>25.00</u>
<u>Total Income</u>	<u>\$829,557.10</u>
GROSS PROFIT	<u>\$829,557.10</u>
<u>Expenses</u>	
<u>Commission/Fees</u>	266,561.82
<u>Controllable Costs</u>	52,055.01
<u>Cost of Labor</u>	442,746.41
2025 <u>Non- Controllable Costs</u>	200,663.161.
	<u>678.76</u>
2026 <u>Operating Expenses</u>	36,758.244.5
	<u>10.16</u>
<u>Travel Expenses</u>	75,237.73
<u>Total Expenses</u>	<u>\$1,242,789.89</u>
NET OPERATING INCOME	<u>\$ -413,232.79</u>
<u>Other Income 3040</u>	
<u>Other Income</u>	10,000.00
<u>Total Other Income</u>	<u>\$10,000.00</u>
Thereafter <u>Other Expenses</u>	
<u>Amortization Expense</u>	133,442.595.
	<u>25</u>
<u>Total Other Expenses</u>	<u>\$595.25</u>
NET OTHER INCOME	<u>\$9,404.75</u>
NET INCOME	<u>\$ -403,828.04</u>

Note 7—Related party transactions

~~*Advances from Parent*—During 2019, the Parent advanced the Company \$75,000 for operating capital. The Company repaid approximately \$48,000 and \$27,000 during the years ended December 31, 2020 and 2019, respectively.~~

~~*Member Advances*—Member advances represents unsecured advances to the Parent of the Company and to entities owned by members of the Parent. Such receivables are non-interest bearing and due on demand. These amounts have been presented as a reduction of member's deficit as there are no formal repayment terms.~~

~~*Due to Related Parties*—Amounts due to related parties consists of the following transactions:~~

- ~~• Approximately \$60,000 as of December 31, 2020 was received from entities under common ownership which were repaid in 2021. Amounts were non-interest bearing and had no formal repayment terms.~~
- ~~• Approximately \$63,000 and \$14,000 as of December 31, 2021 and 2020, respectively, due to Franchise Opportunity Consultants ("FOC"), an entity owned by certain members of the Parent, in connection with royalty and commissions agreements described below.~~

~~*Due from Related Party*—Amount due from related party consists of monies advanced to an entity under common ownership during the year ended December 31, 2021. Amount is non-interest bearing and has no formal repayment terms.~~

~~*Line of Credit*—See Note 5.~~

~~*Franchise Fee Reclassification*—During 2020, the Company's Parent agreed to allow a franchisee owner to use \$75,000 of initial franchise fees previously received for three unopened locations as capital for equity interest in the Company's Parent. These initial franchise fees were included in contract liabilities in the accompanying 2019 balance sheet and were reclassified as a reduction of member's deficit in the accompanying statement of changes in member's deficit for the year ended December 31, 2020.~~

~~*Royalty Fees*—The Company entered into an agreement with FOC to pay a fee of 10% of royalty fees received by the Company in exchange for management services. During the years ended December 31, 2021, 2020, and 2019, the Company incurred expense of approximately \$60,000, \$26,000 and \$18,000 respectively, pursuant this agreement and is included in selling, general, and administrative expenses in the accompanying statements of operations.~~

7—Related party transactions (continued)

~~*Commissions*—The Company has entered into an agreement with FOC to provide for commissions in exchange for the sale of new franchise agreements. During the years ended December 31, 2021, 2020, and 2019, the Company incurred approximately \$330,000, \$75,000, and \$414,000, respectively, pursuant this agreement. Beginning January 1, 2019 in connection with the Company's adoption of ASC 606, these fees are capitalized as contract assets when paid and recognized to expense over the same period as the initial franchise fee revenue is recognized as a component of selling, general, and administrative expenses as described in Notes 1 and 2.~~

~~*Franchises*—A member of the Parent owns two franchises. Pursuant to the related party franchise agreements, no initial franchise fees were due for these Cafes. One of these locations is not subject to pay royalty fees but is subject to pay system development fees. The other location is subject to pay both royalty and system development fees. During the years ended December 31, 2021, 2020, and 2019 the Company recognized royalty and system development fees from these franchises totaling approximately \$52,000, \$34,000, and \$24,000 respectively.~~

~~*Franchisee Renovation Expenses*—During 2020, the Company incurred renovation expenses of approximately \$28,000 on behalf of two franchisees and is included in selling, general, and administrative expenses in the accompanying statements of operations as the Company does not expect to be repaid.~~

Note 8—Commitments and contingencies

Operating Lease—In October 2020, the Company entered into a lease agreement to rent out office space. The agreement expires March 31, 2026 and includes a six-month deferment period of rent from inception to March 31, 2021 and contains annual rent escalation clauses. The Company recognized approximately \$105,000 and \$30,000 of rent expense during the years ended December 31, 2021 and 2020, respectively.

Minimum future rental payments on the operating lease are as follows:

Years Ending December 31,

2022	\$ 112,800
2023	138,000
2024	147,240
2025	—
	148,418
2026	<u>37,113</u>
	<u>\$ 583,571</u>

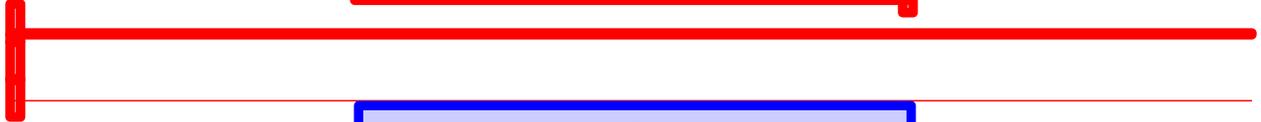
Note 9—Subsequent events

Franchise Agreements—Subsequent to year-end, the Company has entered into seven franchise agreements with an initial term of 10 years and franchise fees ranging from \$25,000 to \$39,000.

PPP Loan (Round 2) Forgiveness— See Note 6.

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JUST LOVE FRANCHISE GROUP LLC

FRANCHISE AGREEMENT

Date:

Store Number:



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EXHIBITS:

- A Business Type, Site Primary Area, Fees
- B Form of Addendum to Lease
- C Limited Access Concept Addendum To Franchise Agreement

standards for operation, design, service, marketing (“**System Standards**”), which include plans and specifications for developing, equipping, renovating, supplying, updating and maintaining Cafés (“**Specifications**”), all of which we may improve, further develop or otherwise modify from time-to-time. Our Manual and our System Standards define the System and will address specifics of the layout of the Just Love Coffee & Cafe shops, number of personnel needed, types of Products or Services offered, amount of inventory carried and the like. The Copyrights include our compilation of the System and substantially all of our System Standards,

Specifications, descriptions of Products and Services, policies, procedures, directives,

Exhibit “A,” another configuration to be added to Exhibit “A” and acknowledged by the parties by later signatures or initials.

2.2. **Grant.** Subject to the terms of, and upon the conditions contained in this Agreement, we grant you a franchise (the “**Franchise**”) to: (a) operate a Just Love Coffee & Cafe at the Site, and at no other location (temporary or permanent); and (b) use the Marks, Copyrights and System solely in connection with operating the Just Love Coffee & Cafe. We may allow you to enter into a “Satellite Outlet Addendum” to this Agreement to permit the operation of a Satellite Outlet. You must enter a separate Satellite Outlet Addendum for each Satellite Outlet that we approve for you to operate. A Satellite Outlet may include a Food Truck, Mobile Kiosk Cart, [Trailer](#), or Pushcart.

2.3. **Term.** The Term of the Franchise and this Agreement begins on the Agreement Date and expires ten (10) years from such date (the “**Term**”). This Agreement may be terminated before it expires in accordance with Section 16. However, if you lease the Site and the term of the lease for the Site (excluding any renewal options) is for a term that is longer than the Term of this Agreement, then the Term of this Agreement will be automatically extended to coincide with the term of your lease. If you, any of your owners or a controlled entity (“**Controlled Entity**”) owns, either directly or indirectly, the real estate or the building at the Site, then the Term of this Agreement will, at our option, be for ten (10) years and will not be automatically extended to coincide with the term of the lease.

2.4. **Performance.** You agree that you will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to promote and enhance the Just Love Coffee & Cafe, and not engage in any other business or activity that conflicts with your obligations to operate the Just Love Coffee & Cafe in compliance with this Agreement.

2.5. **Alternative Channels of Distribution.** We retain the right, in our sole discretion, to sell Products and Services, including coffee and other beverage products identified by the Marks and Copyrights through distribution channels other than Just Love Coffee & Cafe shops (including at sporting events, other special events, “races” and other competitions, internet, intranet, catalog sales, websites, e-mail or other forms of e-commerce) (“**Alternative Channels of Distribution**”). We may sell Just Love Coffee ground and whole bean coffee and other proprietary beverage products packaged for retail sale through grocery stores, mass market retailers, warehouse stores and other retail locations without compensation to you. You will not receive compensation for sales through Alternative Channels of Distribution in your Primary Area or to customers in your Primary Area unless we establish a compensation program for doing so in the Manual.

2.6. **Rights We Reserve.** We (and our affiliates) retain the right in our sole discretion to:

(a) establish and grant to our franchises the right to establish Just Love Coffee & Cafe shops anywhere outside the Primary Area on such terms and

3.3. **Agreements/Releases.** If you satisfy all of the other conditions to the grant of a Successor Franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Successor Franchises for Just Love Coffee & Cafe shops; except that the Royalties (defined in Section 6.2) and System Development Fee (defined in Section 6.3) will not change from this Agreement. You and your owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

3.4. **Training and Refresher Programs.** Our grant of a Successor Franchise is also conditioned on the satisfactory completion by you or a Manager (defined in Section 7.1(a)) of any new training and refresher programs as we may reasonably require.

4. **SITE SELECTION AND DEVELOPMENT.**

(a) **Site Selection.** We recommend that you retain (a) an experienced commercial real estate broker or salesperson who has at least seven (7) years' experience in locating business sites to advise and counsel you with regard to the price, economics, viability, location, and acquisition or lease of the Site for the Just Love Coffee & Cafe and (b) an experienced attorney to provide advice and counsel on your Business and the terms, conditions and economics of the legal and other documents required to lease or purchase the Site. If you have not done so prior to signing this Agreement, you (with or without our assistance) must, within six (6) months of signing this Agreement, locate a Site for your Just Love Coffee & Cafe that we have approved and open it according to our System Standards. If you and we cannot agree on a Site within that six (6)-month period, we and you may terminate the Franchise Agreement. We will not be required to refund to you any of the Franchise Fee. The Site must meet our criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other stores and other Just Love Coffee & Cafe shops, the nature of other stores in proximity to the Site and the size, appearance and other physical and commercial characteristics of the proposed Site. You must use the Site solely for the operation of a Just Love Coffee & Cafe and must not directly or indirectly operate or engage in any other business or activity from the Site. You must not participate in any dual branding program, or in any other program, promotion or business pursuant to which another trademark, service mark, trade name, or commercial symbol is used in connection with the Just Love Coffee & Cafe. We will approve or disapprove a Site you propose for a Just Love Coffee & Cafe within thirty (30) days after we receive from you all of the materials we request concerning the proposed Site. If you do not select, or we do not approve, the Sites reviewed during the initial Site selection trip, any additional Site selection trips are at our sole discretion and at your expense for our representative's travel, lodging and meals. If we perform an inspection for a Satellite Outlet, then you must pay us a site inspection fee of Five Hundred Dollars (\$500.00) plus reimbursement for our inspector's travel, lodging, meal, and incidental expenses. This fee is payable when we schedule the trip and will be reimbursed only if we cancel or waive the inspection.

(f) we have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept;

(g) we have received signed counterparts of all required documents pertaining to your acquisition of the Site; and

(h) you have satisfied all bonding, licensing, and other legal requirements for the lawful operation of your Business.

5.10. **Credit and Gift Cards.** You must honor all credit, charge, courtesy and cash cards approved in writing by us. You will not create or issue any prepaid or gift cards or gift certificates and will only sell prepaid or gift cards or gift certificates that have been issued by us and which are accepted at all Just Love Coffee & Cafe shops. You will not issue coupons or discounts of any type except as approved in writing by us.

5.11. **National Conventions.** Your Manager(s) and the other persons having positions at Business designated by us will attend each national convention held by us. The date and location of all national conventions will be at our sole discretion. You will pay the then-current convention registration fee established by us for each person attending the national convention (which is not refundable if you or they fail to attend). You will also pay the salaries and benefits, the travel expenses and all other expenses incurred by the persons attending the national convention on your behalf. You acknowledge that the attendance of at least one person at each national convention held by us and the payment of the then-current registration fee for at least one person is mandatory.

5.12. **Grand Opening Program.** We will provide you with our baseline grand opening advertising and promotional program (“**Grand Opening Program**”) at least ninety (90) days before the anticipated Opening Date of the Business, including our market introduction materials, which are intended to facilitate the introduction of Just Love Coffee & Cafe shops to the market and support the opening of the Business through a concentrated marketing commitment from you during the period that is thirty (30) days before and thirty (30) days following the opening of your Just Love Coffee & Cafe to the public (or such other period as may be prescribed by us in the Manuals) (the “**Grand Opening Period**”). The Grand Opening Program will utilize the marketing and public relations programs and media and advertising materials we have developed or approved, including, without limitation, a variety of meetings with potential members and participation in local events to promote your Business. You will develop and submit to us, at least thirty (30) days before the anticipated Opening Date, any modifications to the Grand Opening Program for our comment and acceptance or rejection. If we do not approve your modifications to the plan within ten (10) business days of receipt, it will be deemed rejected, and you must follow up with us. The accepted Grand Opening Program shall require you to spend at least ~~\$5,000~~10,000 during the Grand Opening Period on advertising, marketing, and promotion of the Business (the “**Grand Opening Program Fee**”). We reserve the right to increase the Grand Opening Program Fee if we determine doing so is necessary. Once accepted by us, you must proceed to execute and complete the Grand Opening Program as

accepted. We do not guarantee that the accepted Grand Opening Program will cause the Business to open successfully.

6. **FEES.**

6.1. **Franchise Fee.** You agree to pay us a non-recurring and non-refundable initial franchise fee in the amount indicated as the Franchise Fee in Exhibit “A” and such Franchise Fee is fully earned when paid. The Franchise Fee is due in a lump sum payment on the Agreement Date.

6.2. **Royalty.** You agree to pay us a royalty fee (“**Royalty(ies)**” or “**Royalty Fee**”) in the amount designated in Exhibit “A”. We must receive the Royalties on Wednesday of each week for the immediately preceding week (the “**Payment Day**”). However, we can alter or change the Payment Day upon written notice to you, and may at our option collect it daily, weekly or monthly via the Computer System. If the Payment Day of any week falls on a weekend or a national holiday, the payment is due on the first weekday following the Payment Day. The first Royalty Fee payment is not due until the Payment Day following the date you open the Just Love Coffee & Cafe. The Royalties are non-refundable and fully earned when paid. The Royalty Fee is payable on all Gross Sales recognized during the entire Term of this Agreement.

6.3. **System Development Fees.** You must pay to us or our designee a fee in the amount of the percentage of your Just Love Coffee & Cafe’s weekly Gross Sales as contributions to the System Development Fund (the “**System Development Fee**”) as indicated in Exhibit “A”, but not to exceed three percent (3%) of Gross Sales; provided, however, we reserve the right to increase the System Development Fee at our sole discretion. Any increase to the System Development Fee will not exceed one percent (1%) of Gross Sales per occurrence and will not occur more than once annually. We will impose the new System Development Fee on at least 90 days’ prior written notice to you. The first System Development Fee is due the first Payment Day following your Opening Date. The System Development Fees are fully earned and nonrefundable when paid. At our option, we may calculate and charge the Royalty and System Development Fee on a daily, weekly or monthly basis via the Computer System.

6.4. ~~Site Selection Costs~~**Project Management Costs.** You must pay to us a Project Management Fee of \$5,000. Our Project Manager will work with you through the entire process to open your Just Love Coffee & Café. This includes: (a) initial planning and site investigation, including project schedule, budget, and scope of work; (b) vendor selection, including the architects on the design, Mechanical, Electrical and Plumbing, as well as layout, equipment suppliers, and contractors; (c) scope and budget, including facilitating all information to various vendors, coordinating the as-built surveys, preparing construction documents, visiting the site, and project bidding; (d) plans, approvals, and permits, including coordinating the Landlord approval process, managing the submittal of all permits, applications and approving all quotes, contracts, and purchase orders; (e) construction, including conducting pre-construction coordination meetings, site visits with

[contractor, vendors and suppliers, and punch lists; and \(f\) close out responsibilities for final payment to contractor.](#) We do not charge you any additional fees for site selection trips. ~~But, you remain responsible for all of your costs associated with them.~~

6.5. **Technology Fee.** We charge a monthly technology fee in the amount of ~~One Thousand~~ [Two Hundred Fifty](#) Dollars (~~\$1,000~~[250](#)) to cover the cost and overhead of providing you with access to technology such as a license of software tools, database management, software maintenance and help desk support (a “**Technology Fee**”). The Technology Fee shall be paid to us by the 15th of each month through automated clearing house (“ACH”) transfers. We may modify, increase, decrease, suspend, reactivate, or terminate the Technology Fee on at least 30 days' prior written notice to you. However, the Technology Fee will not exceed One Thousand Five Hundred Dollars (\$1,500) per month. We may require that you will enter into a separate service or license agreement for these services.

6.6. **Additional Training Fees.** As part of the Franchise Fee, we provide the initial training and Opening Team set out in Section 7. Your entire Opening Team must be present for opening. If we require or you request, and we agree to provide, additional on-site training, you must pay our then current “**Additional Training Fees**”, which are currently Five Hundred Dollars (\$500.00) per trainee and One Thousand Dollars (\$1,000) per trainer. Additional Training Fees are due within five (5) days of our invoice to you.

6.7. **Third Party Training Expenses.** If we require or you request, and we agree to provide, additional on-site training as described in Section 6.6 above, and third parties provide that training for you (e.g., consultants), you must pay to that consultant and reimburse them, all of the expenses they incur for travel, lodging, meals and other expenses and costs they incur associated with providing additional on-site (“**Training Expenses**”). They will bill you for the Training Expenses, and you are responsible for payment to them within five (5) days of the date of our invoice to you unless their invoices indicate a different payment date.

6.8. **Electronic Funds Transfer.** We may require you to pay all future payments of the Royalties, System Development Fees, and any other amounts due us by electronic funds transfer. If we do so, we will designate the Payment Day for the Royalty payment or such other payments. This may be daily. You agree to comply with the procedures we specify in our Manuals and perform such acts and sign and deliver such documents as may be necessary to accomplish payment by this method. On the Payment Day, you will report to us by electronic means (e.g. facsimile transmission or via e-mail) or in written form, as we direct, the Just Love Coffee & Cafe’s true and correct Gross Sales for the immediately preceding week or day (where we require). If the Royalty is collected weekly, transfers will be made on Wednesday of each week for the weekly Royalty Fees and System Development Fees payable for the preceding week, as set forth in this Agreement or within five (5) days after the issuance of an invoice by us for other amounts payable by you; otherwise, if the Royalty is collected daily, the transfers will occur daily.

You are responsible for all travel, lodging and other expenses associated with your owners, Managers and employees attending and participating in Additional Training.

7.3. **Opening Training Team.** After opening your Just Love Coffee & Cafe, we will provide an “**Opening Training Team**” to provide up to seven (7) days of Additional Training at your Just Love Coffee & Cafe during Grand Opening Period (by at least one (1) Opening Team Member) and to provide Brand Standards and Concept Training. We may require additional Opening Training Team members or additional days, and if you request additional days or

Opening Training Team members, we may charge Additional Training Fees and Additional Training Expenses. You are responsible for all travel, living, meals and other expenses for the Opening Training Team.

7.4. **General Guidance.** We will advise you from time-to-time regarding the operation of the Just Love Coffee & Cafe based on reports you submit to us or inspections we make. In addition, we will furnish guidance to you with respect to:

- (a) standards, specifications, inventory control and operating procedures and methods utilized by Just Love Coffee & Cafe shops;
- (b) purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies;
- (c) Product and Service inventory practices and purchasing practices;
- (d) use of suppliers and approved products and supplies
- (e) sales, pricing policies and the like;
- (f) employee, and management training; and
- (g) administrative, bookkeeping and accounting procedures.

Such guidance will, at our discretion, be furnished in our Manuals, bulletins or other written materials and/or during telephone consultations and/or consultations at our office or the Just Love Coffee & Cafe.

At your request, we will furnish additional guidance and assistance. If your requests for additional or special training and guidance are, in our opinion, excessive we may charge you a fee to cover expenses that we incur in connection with such training or guidance, including per diem charges and travel and living expenses for our personnel.

8. **MARKS.**

8.1. **Ownership and Goodwill of Marks.** Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Just Love Coffee

use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We will reimburse you for your reasonable direct expenses of changing the Just Love Coffee & Cafe's signs. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

8.5. Notification of Infringements and Claims. If it becomes advisable at any time for us and/or you to modify or discontinue the use of any Marks, and/or for your Just Love

Coffee & Cafe to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions, within a reasonable time after receiving notice, to notify or otherwise discontinue the use of such Marks, or use one or more additional trademarks or service marks. We have no liability or obligation to you for such modification or discontinuance.

8.6. Copyrights. You recognize that the various other materials we give you are subject to Copyrights we own or license from others. Your right to use any information capable of being rendered into a tangible form that we claim as our Copyrights, are derived solely from this Agreement and limited to your operation of your Just Love Coffee & Cafe. Your, your agents', employees' and affiliates' unauthorized copying, transmission, use or derivative of the Copyrights in any manner will be a breach of this Agreement and constitute your and their infringement of our rights in and to the Copyrights. This Agreement does not confer any rights to the Copyrights in you other than the right to use them in connection with the operation of your Just Love Coffee & Cafe. You must follow all of the policies and procedures we designate from time-to-time for the protection of any Copyrights and any other materials which could be subject to Copyright protection. All provisions of this Agreement applicable to your use of the Copyrights apply to any additional Copyrights we authorize you to use during the Term of this Agreement. You must place Copyright notices on all of the other materials that we designate, in the manner we require. You recognize that we will grant other franchisees the right to use the Copyrights as well. You agree to sign and deliver to us such forms of Copyright assignments or licenses we specify for any Copyrights you develop or modify for use in your Just Love Coffee & Cafe and to cause all persons you engage to do so also. We may, and you must assist us with our efforts to file in our name, and indicating our ownership in, Copyright registrations on all copyrightable materials created or modified by you. We may, without notice to you, immediately suspend or terminate your access to or use any services, Copyrights or other information or systems contemplated under this Agreement if we determine that you, your agents, employees or affiliates have violated our Copyrights or otherwise breached this Agreement with respect to protecting our Confidential Information (defined in Section 9.1).

8.7. Copyright Infringements. You must notify us immediately, in writing, of any apparent infringement of any of the Copyrights, or any challenge to your use of any of

the Copyrights, or of any claim by any person of any rights in the Copyrights. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate. We have the right to control exclusively any dispute, litigation, U.S. Copyright Office proceeding or any other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any of the Copyrights, including the right to direct any settlement of such claim. You will sign any and all instruments and documents, or render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any dispute, litigation or administrative proceeding involving the Copyrights or otherwise to protect and maintain our interests in the Copyrights. You may not at any time during the Term of this Agreement or thereafter, contest the validity or ownership of any of the Copyrights, or assist any person in contesting the validity of ownership of any of the Copyrights.

8.8. **Discontinuance.** You must immediately modify or discontinue the use of any

Copyrights as we direct from time-to-time. We will use commercially reasonable efforts to give you as much notice as possible before requiring you to stop use of any of the Copyrights. However, we have no liability or obligation to you for doing so.

8.9. **Marks and Copyright Indemnification.** We will indemnify and defend you against and reimburse you for all damages for which you are held liable to third parties in any proceeding arising out of your authorized use of any Mark or Copyright we develop, pursuant to and in compliance with this Agreement, resulting from claims by third parties that your use of the Marks or Copyrights we develop infringes their trademark rights or Copyrights, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with the terms of this Agreement. We will not indemnify you against the consequences of your use of the Marks, or any Copyrights: (a) for any Marks or other Copyrights which you develop or submit to us (regardless if they become, or have become our property); or (b) unless your use of such Marks or Copyrights we provide was and is in accordance with the requirements of this Agreement. You must provide written notice to us of any such claim within ten (10) days of your receipt of such notice and you must tender the defense of the claim to us. We will have the right to defend any such claim and, if we do so, we will have no obligation to indemnify or reimburse you for any fees or disbursements of any attorney(s) retained by you. If we elect to defend the claim, we will have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. We are not responsible to you for any other claims of any nature arising out of or related to the Copyrights, regardless of whether the loss associated is by you, any of your customers or third parties.

9. **CONFIDENTIAL INFORMATION.**

9.1. **Types of Confidential Information.** We possess (and will continue to develop and acquire) certain confidential information (the “**Confidential Information**”) relating to the development and operation of Just Love Coffee & Cafe shops, which includes (without limitation):

the System and the know how related to its use;

plans, specifications, size and physical characteristics of Just Love Coffee & Cafe shops; site selection criteria, land use and zoning techniques and criteria;

design of equipment, furniture, forms, materials and supplies; training

for Just Love Coffee & Cafe shops;

methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Just Love Coffee & Cafe shops;

(a) knowledge of specifications for certain Products and Supplies and suppliers of certain Products and Supplies; and

(b) knowledge of operating results and financial performance of Just Love Coffee & Cafe shops other than those operated by you (or your affiliates).

9.2. **Disclosure and Limitations on Use.** We will disclose much of the Confidential Information to you and personnel of the Just Love Coffee & Cafe by furnishing the Manuals to you and by providing training, guidance and assistance to you. In addition, in the course of the operation of your Just Love Coffee & Cafe, you or your employees may develop ideas, concepts, coffee or tea education programs, methods, Products and Services, techniques, copyrighted or copyrightable works, trademarks, service marks, slogans, or improvements, or additions that we may adopt or choose not to adopt to our System Standards (“**Improvements**”) relating to your Just Love Coffee & Cafe, which you agree to disclose to us. We will be deemed to own the Improvements and may use them and authorize you and others to use them in the operation of Just Love Coffee & Cafe shops. Improvements will then also constitute Confidential Information.

9.3. **Confidentiality Obligations.** You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your Just Love Coffee & Cafe, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you:

(a) will not use the Confidential Information in any other business or capacity;

11.15. **Frequent Customer Information.**

(a) You must ensure that every frequent customer you use complies with all System Standards and all applicable laws, rules, and regulations of any governmental authority with jurisdiction over the Business. We may designate the form of coffee or tea club or frequent customer agreements you utilize.

(b) We and you acknowledge that we and our Affiliates may, through the Computer System or otherwise, have access to lists of the Business's members and/or prospects, including names, addresses and other related information (“**Frequent**

Customer Information”). We and our Affiliates may use Frequent Customer

Information in our and their business activities. Upon termination of this Agreement, we and our Affiliates reserve the right to make any and all disclosures and use the Frequent Customer Information in any manner that we or they deem necessary or appropriate.

11.16. **Notices.**

(a) **Notices to Public.** You will prominently display in the Business all statements that we prescribe from time-to-time identifying you as the independent owner of the Business and our authorized Franchisee. All checks, invoices, stationery and advertising materials which you use in operating your Business will also have a statement in the form we periodically prescribe identifying you as the independent owner of the Business and indicating that you are our authorized Franchisee.

(b) **Notices to Employees.** You must prominently post signs at the Business (including in the area in which all official employment-related notices are posted) and at your offices informing your employees and independent contractors that their relationship is solely with you and that they are not an employee of us or any of our Affiliates. You are solely liable for any employment-related issues. Similar language must be included in all of your employment contracts, offer letters and employee handbooks. We may promulgate and periodically modify the language and specifications for such required postings and notices.

(c) **Inter-Business Usage.** You must comply with all of our policies and procedures, including transfer of frequent customer accounts or coffee or tea club members among Just Love Coffee & Cafe shops. If you fail to do so, you will pay to us our then current cure fees.

12. **MARKETING AND PROMOTION.**

12.1. Establishment of System Development Fund. Recognizing the value of advertising and marketing to the goodwill and public image of Just Love Coffee & Cafe shops, we have the right to establish a system-wide development, marketing and promotional fund (the “**System Development Fund**”) for such advertising, marketing, public relations and systemwide benefit programs and materials we deem necessary or appropriate. The System Development Fund is intended to maximize recognition of the Marks and patronage of Just Love Coffee & Cafe shops and enhance the operations of Just Love Coffee & Cafe shops. You must pay to us, or our designee, the System Development Fees we designate as set forth in Exhibit “A”. We reserve the right to defer or reduce System Development Fees of a Just Love Coffee & Cafe franchisee and, upon thirty (30) days’ prior written notice to you, to reduce or suspend contributions to, and operations of, the System Development Fund for any period of any length and to terminate (and, if terminated, to reinstate) the System Development Fund. If the System Development Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the System Development Fund during the preceding twelve (12) month period, or in a manner we determine. We and our affiliates are not obligated to contribute to the System Development Fund on the same basis as franchise owners for any Just Love Coffee & Cafe we or they own and operate.

12.2. Use of the Funds. We or our designee will direct all programs financed by the System Development Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the System

Development Fund may be used to pay the costs of, but not be limited to, administrative costs, solicitation of franchise owners, franchise conferences, developing, preparing and implementing audio or written advertising and marketing materials; developing and servicing corporate accounts; engaging in research and development; administering regional and multi-regional advertising programs; inventory and menu development, purchasing e-commerce rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems, the Business Management System and the like; supporting public relations and market research; establishing, developing, maintaining, modifying, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities. The System Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials may be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

12.3. Accounting for the Fund. The System Development Fund may be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Development Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting

and accounting for contributions to the System Development Fund. We may spend, on behalf of the System Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Just Love Coffee & Cafe shops to the System Development Fund in that year, and the System Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. In addition to other System Development Fees, we may assess you, and you must pay to the System Development Fund such System Development Fees as we or the Fund deems necessary to address any deficits or special needs of the System Development Fund. All interest earned on monies contributed to the System Development Fund will be used to pay System Development costs before other assets of the System Development Fund are expended. We may prepare a periodic statement of monies collected and costs incurred by the System Development Fund and furnish the statement to you, within 120 days following the end of the current calendar year, upon written request. We have the right to cause the System Development Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

12.4. System Development Fund Limitations. The System Development Fund will be intended to maximize recognition of the Marks and patronage of Just Love Coffee Cafés.

Although we may endeavor to utilize the System Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Just Love Coffee & Cafe shops, we undertake no obligation to ensure that expenditures by the System Development Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the System Development Fund by Just Love Coffee & Cafe shops operating in that geographic area or that any Just Love Coffee & Cafe will benefit directly or in proportion to its contribution to the System Development Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the System Development Fund.

12.5. Advertising and Promotion. You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time-to-time. Samples of all advertising, promotional and marketing materials which we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within thirty (30) days after our receipt of such materials, they will be deemed to have given the required approval. You may not use any advertising or promotional materials that we have disapproved.

12.6. Local Advertising Cooperatives. You will be required to, if a local advertising cooperative or Local Advertising Association (a LAA, defined below) is established for an area including your Primary Area, contribute to it an amount determined

comply with all federal, state and local laws, regulations, building codes and ordinances relating to the construction, erection, maintenance and use of the Signs. You may not alter, remove, change, modify, or redesign the Signs unless approved by us in writing. We will have the right to redesign the specifications for the Signs without the approval or consent of you. Within ninety (90) days after receipt of written notice from us, you will, at your expense, either modify or replace the Signs so that the Signs displayed at the Just Love Coffee & Cafe will comply with the new specifications. You will not be required to modify or replace the Signs more than once every five (5) years. At no time during or after the expiration of the Term may you “drape”, obscure, paint over, remove or modify approved signage bearing our Marks without our express prior written consent and without complying with our instructions on how to do so.

12.10. **Identification of Franchise.** You will not use the names “Just Love” or “Just

Love Coffee & Cafe shops Development Group” or any derivative thereof in the name of your entity that owns or operates your Just Love Coffee & Cafe or in any name of your affiliated or Controlled Entity in any incorporation, organization or other legal formation documents filed with any state government or agency. You will hold yourself out to the public as an independent contractor operating your Just Love Coffee & Cafe pursuant to a Franchise from us. You will file for a certificate of assumed name in the manner required by applicable state law to notify the public that you are operating your Just Love Coffee & Cafe as an independent contractor.

13. **RECORDS, REPORTS AND FINANCIAL STATEMENTS.**

13.1. **Accounting System.** You agree to establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time-to-time. We may require you to use approved computer hardware and Software in order to maintain certain sales data and other information, including updating the Manuals and for communication purposes. You agree that we may have access to such sales data and other information through the Computer System at all times.

13.2. **Reports.** You agree to furnish to us on such forms that we prescribe in the Manual the following reports, which except for the monthly report of Gross Sales described in paragraph (a) below that you will provide to us automatically, will be furnished at our request:

(a) on the fifteenth (15th) day of each calendar month, a report on the Just Love Coffee & Cafe’s Gross Sales during the immediately preceding calendar;

(b) within ten (10) days after the end of each calendar month: (i) a profit and loss statement for the Just Love Coffee & Cafe for the immediately

without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer your interest in this Agreement or the ownership interest in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term “**disability**” means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an owner of a controlling interest in you from managing and operating the Just Love Coffee & Cafe.

15.6. Operation Upon Death or Disability. If, upon your death or disability or the death or disability of the owner of a controlling interest in you, the Just Love Coffee & Cafe is not being managed by a trained Manager, your or such owner’s executor, administrator, conservator, guardian or other personal representative must, within a reasonable time not to exceed fifteen (15) days from the date of death or disability, appoint a Manager to operate the Just Love Coffee & Cafe. Such Manager will be required to complete training at your expense.

Pending the appointment of a Manager as provided above or if, in our judgment, the Just Love Coffee & Cafe is not being managed properly any time after your death or disability or after the death or disability of the owner of a controlling interest in you, we have the right, but not the obligation, to appoint a Manager for the Just Love Coffee & Cafe. All funds from the operation of the Just Love Coffee & Cafe during the management by our appointed Manager will be kept in a separate account, and all expenses of the Just Love Coffee & Cafe, including compensation, other costs and travel and living expenses of our Manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to the Royalty and System Development Fees and contributions payable under this Agreement) during the period that our appointed Manager manages the Just Love Coffee & Cafe, which will not exceed ten percent (10%) of your monthly Gross Sales. Operation of the Just Love Coffee & Cafe during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses or obligations incurred by the Just Love Coffee & Cafe or to any of your creditors for any products, materials, supplies or services the Just Love Coffee & Cafe purchases during any period it is managed by our appointed Manager.

15.7. Effect of Consent to Transfer. Our consent to a transfer of this Agreement and the Just Love Coffee & Cafe or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Just Love Coffee & Cafe or transferee or a waiver of any claims we may have against you (or your owners) or of our right to demand the transferee’s exact compliance with any of the terms or conditions of this Agreement.

15.8. Our Right of First Refusal. You must not assign or otherwise dispose of any interest in or any part of the Major Assets to any purchaser without first offering the same to us in a written offer that contains the Purchase Price (defined in Section 17.5),

(s) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; the Just Love Coffee & Cafe is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of you or the Just Love Coffee & Cafe is not vacated within thirty (30) days following the entry of such order; or

(t) if you violate our System Standards for non-solicitation of other franchisee's personnel or our personnel, and you fail to pay our then current fees to cure the violation of our non-solicitation rules.

16.3. Termination by Us for Commercial Impracticability. The parties agree that the commercial purpose of this Agreement is for Franchisor to license the System specified by Franchisor to Franchisee for use in operating your Just Love Coffee & Cafe strictly in accordance with the Manuals, in exchange for payment of the fees and under the conditions set forth in this Agreement. This Agreement intends for Franchisee to control the terms and conditions of employment for the employees of your Just Love Coffee & Cafe, and to supervise such employees as their employer, as set forth in Section 11.12, without constituting Franchisor as a joint employer of Franchisee or Franchisee's employees. Franchisee acknowledges that Franchisor is not in the business of owning and operating any Just Love Coffee & Cafe, and

Franchisee has independently decided to enter into this Agreement to obtain the right to use the System so as to enter into the trade and business contemplated by the System. Franchisor may terminate this Agreement by written notice to Franchisee without penalty and without payment of any refunds or damages to Franchisee, and Franchisee will follow its post-termination obligations under Section 17 at its expense, if Franchisor determines in its sole discretion that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the parties directly or indirectly that Franchisor reasonably expects will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of this Agreement, (B) makes performance of this Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the parties, (D) deprives any party of its benefits of the bargain struck by the parties, as originally set forth in this Agreement, or (E) determines that an employment or a joint employment relationship exists between Franchisor and Franchisee.

17. RIGHTS AND OBLIGATIONS UPON TERMINATION.

17.1. **Payment of Amounts Owed To Us.** [Upon the termination or expiration of this Agreement for any reason:](#)

(a) You agree to pay us within fifteen (15) days after the effective date of termination or expiration of this Agreement, or on such later date that we determine amounts are due to us, ~~all amounts due for Royalties, System Development Fees,~~ contributions, amounts owed for purchases from us, interest due on any of the foregoing, Liquidated Damages, and any and all other amounts owed to us which are then unpaid.

(b) You acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a Term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach but not less than sixty (60) days, then in addition to any and all other remedies and causes of action available to us, you will pay us Liquidated Damages in addition to amounts due to us accruing under this Agreement prior to termination. You and we agree that Liquidated Damages as defined herein is a reasonable estimate of the actual damages which we will sustain as a result of the termination and is not a penalty. Payment of Liquidated Damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the System.

17.2. **Marks and De-Identification.** Upon the termination or expiration of this Agreement for any reason:

(a) to allow us sufficient time (up to sixty (60) days) to determine if we will exercise a right to purchase and/or to confirm you are in compliance with all other posttermination obligations, you will not, without our express written permission, sell, transfer, encumber, lease, convey, gift, or make available to use to any other person or entity the furniture, fixtures, equipment, lease, real property, inventory or personal property owned by or used by your Just Love Coffee & Cafe;

(b) for a period of sixty (60) days, you will not transfer, encumber, lease, pledge, convey or gift any ownership interest in you, or your parent company, if any;

(c) without limiting any other rights in law or equity, you and your owners' consent to our obtaining injunctive relief to enforce (a) and (b) hereof;

(d) you will, immediately upon demand at our direction, and to our sole satisfaction, cover, drape, remove or obscure all signage, trade dress and other identifiable aspects of the Just Love Coffee & Cafe;

(e) you may not directly or indirectly at any time or in any manner (except with respect to other Just Love Coffee & Cafe shops you own and operate) identify yourself or any business as a current or former Just Love Coffee & Cafe, or as one of our licensees or franchisees, use any Mark, any colorable imitation of a Mark or other indicia of a Just Love Coffee & Cafe in any manner or for any purpose or utilize for any purpose any trade name,

trade or service mark or other commercial symbol that indicates or suggests a connection or association with us;

(f) you will not, for a period of sixty (60) days, promote to any former or current customer the operation of any other business at the Site;

(g) you agree to immediately take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark and cease using all of the Marks and Copyrights;

(h) if we do not have or do not exercise an option to purchase the Just Love Coffee & Cafe pursuant to Section 17.5, you agree to deliver to us within thirty (30) days after, as applicable, the effective date of expiration of this Agreement or the Notification Date (as defined in Section 17.5(a)) all signs, sign-faces, sign-cabinets, marketing materials, forms and other materials containing any of our Marks or Copyrights or otherwise identifying or relating to a Just Love Coffee & Cafe and allow us, without liability to you or third parties, to remove all such items from the Just Love Coffee & Cafe;

(i) if we do not have or do not exercise an option to purchase the Just Love Coffee & Cafe pursuant to Section 17.5, you agree that after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), you will immediately and at your own expense make such alterations we specify to distinguish the Just Love Coffee & Cafe clearly from its former appearance and from other Just Love Coffee & Cafe shops so as to prevent confusion by the public;

(j) if we do not have or do not exercise an option to purchase the Just Love Coffee & Cafe pursuant to Section 17.5 you agree that after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), you will immediately notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any regular, classified or other telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify prior to such transfer of the number and listings to us, you must not transfer them;

(k) you agree to furnish us, within thirty (30) days after the effective date of expiration of this Agreement or the Notification Date (whichever is applicable), with evidence satisfactory to us of your compliance with the foregoing obligations;

(l) within thirty (30) days after the date of the expiration or termination of this Agreement, you will, at your expense, alter, modify and change both the exterior and interior appearance of the building and the Just Love Coffee & Cafe so that it will be clearly distinguished from the standard appearance of a Just Love Coffee & Cafe and/or prevent public confusion; and

insurance with a full replacement value of your inventory and contents of your Just Love Coffee & Cafe, covering such risks as are covered in the Standard Extended Coverage Endorsement, and including coverage of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate coverage, insuring you and us, and their officers, directors, agents and employees from loss, liability, claim, damage or expense, including bodily injury, personal injury, death, property damage, products liability and other legal liability, resulting from the condition, operation, use, business or occupancy of the Just Love Coffee & Cafe, including the surrounding premises, the parking area, and the sidewalks;

(b) comprehensive motor vehicle insurance with coverage of at least One Million Dollars (\$1,000,000) per occurrence (including personal injury protection, uninsured motorist protection, and “umbrella” coverage) for any motor vehicles operated, owned or leased by your Just Love Coffee & Cafe or used by any of your employees;

(c) workers’ compensation in the amounts required by applicable law for your Just Love Coffee & Cafe;

(d) “umbrella” liability insurance; in the minimum amount of Two Million Dollars (\$2,000,000) that will provide liability insurance coverage for loss, liability, claim, damage or expense incurred by you and us in excess of the primary liability insurance coverage carried by you;

(e) liability insurance against liability for personal services care and negligence;

(f) “special perils” property insurance coverage, which will include fire and extended coverage, for the inventory, machinery and FF&E owned, leased or used by you at the Just Love Coffee & Cafe. The property insurance policy (including fire and extended coverage) must have coverage limits equal to at least actual “replacement” cost;

(g) actual loss sustained (ALS) insurance coverage of at least Twenty Thousand Dollars (\$20,000) per month for a minimum of twelve (12) months insuring you against all compensable losses and damages resulting from an interruption in the operation of the Just Love Coffee & Cafe;

(h) if you, or any of your owners, owns, either directly or indirectly, the building or the Business premises for the Just Love Coffee & Cafe, then you will insure the building or the Business premises for and against special perils, loss and damages in an amount equal to at least actual “replacement” cost. If the Just Love Coffee & Cafe is either partially or completely destroyed by fire or any other catastrophe, then you will use the insurance proceeds to repair or reconstruct the Just Love Coffee & Cafe as provided for in this Agreement and recommence business as soon as reasonably possible;

19.4. **Evidence of Coverage.** Before the expiration of the term of each insurance policy, you must furnish us with a copy of each new, renewal or replacement policy you have obtained to extend your coverage, along with evidence of the premium payment. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf.

If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your Just Love Coffee & Cafe required to obtain or maintain the insurance. Finally, you must pay us, on demand, any costs and premiums we incur in obtaining insurance on your behalf. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf will reduce or absolve you of any obligations of indemnification described in this Agreement.

20. **ENFORCEMENT.**

20.1. **Severability; Substitution of Valid Provisions.** Except as otherwise stated in this Agreement, each Term of this Agreement, and any portion of any term, are severable. To the extent any provision is deemed unenforceable, the remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provision will be enforced to the fullest extent permissible under governing law. This Agreement will be deemed automatically modified to comply with such governing law if any applicable law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking of some other action not described in this Agreement; or (c) if any System Standard is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

20.2. **Waivers.** We will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement, even if at any time: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if there develops a custom or practice which is at variance with the terms of this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between you and us or between us and any other franchise owner, will not affect our rights with respect to any later breach by you or anyone else.

20.3. **Limitation of Liability.** Neither of the parties will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

agents' use of the System, Marks or Copyrights; (b) your obligations upon termination or expiration of this Agreement; and (c) your or your owners', officers', directors', employees' or agents' violation of the provisions of this Agreement relating to confidentiality and the covenants not to compete.

21.7. No Collateral Estoppel or Class Actions. All arbitration findings, conclusions, orders and awards made by the Arbitrators will be final and binding on you and we; however, such arbitration findings, conclusions, orders and awards may not be used to collaterally estop either you or we from raising any like or similar issue or defense in any subsequent arbitration, litigation, court hearing or other proceeding involving third parties, including other franchisees. You and we agree that no person or entity except you and we, and your and our respective officers, directors, owners and/or Personal Guarantors will have the right to join in, become a party, litigate or participate in any arbitration proceeding arising under this Agreement, and therefore, you and we specifically agree that the NAF and the Arbitrators appointed under the NAF procedural rules will not be authorized to permit class actions or to permit any other person or entity to be involved, participate, or be named as a litigating party in any arbitration proceeding or matter brought under this Agreement by you or we or your and our respective officers, directors, owners and/or Personal Guarantors.

21.8. Confidentiality. All evidence, testimony, records, documents, findings, decisions, judgments and awards pertaining to any arbitration hearing between you and us will be secret and confidential in all respects. Except as provided for in Section 21.5 or as may be required by law, you and we will not disclose the decision or award of the Arbitrators and will not disclose any evidence, testimony, records, documents, findings, orders, or other matters from the arbitration hearing to any person or entity except as required by law. Nothing herein will prevent either party from disclosing or using any information presented in any arbitration proceeding in any subsequent court hearing brought by either you or we pursuant to this Agreement.

21.9. Federal Arbitration Act. Any issue regarding arbitration will be governed by the Federal Arbitration Act and the federal common law of arbitration.

21.10. Waiver of Punitive Damages. EXCEPT FOR YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION 18.4 OF THIS AGREEMENT AND CLAIMS FOR UNAUTHORIZED USE OF OUR MARKS, COPYRIGHTS OR CONFIDENTIAL INFORMATION OR YOU OR YOUR OWNERS', OFFICERS', DIRECTORS', EMPLOYEES' OR AGENTS' VIOLATION OF THE NONCOMPETITION COVENANTS, YOU AND WE EACH WAIVE TO THE FULL EXTENT PERMITTED BY LAW ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US THAT IS SUBJECT TO THE LIMITATION OR EXEMPTION OF PUNITIVE DAMAGES, THE PARTY

MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

21.11. Limitations of Claims. ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) UNDER-REPORTING OF GROSS REVENUES; (B) UNDER-PAYMENT OF AMOUNTS OWED TO US OR OUR AFFILIATES; (C) CLAIMS FOR INDEMNIFICATION; AND/OR (D) UNAUTHORIZED USE OF THE MARKS OR COPYRIGHTS. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

21.12. No Class Actions. YOU WAIVE THE RIGHT AND OPTION, AND COVENANT NOT TO PARTICIPATE IN, ANY CLASS ACTION, MULTIPLE CLAIMANT, COUNTER CLAIMANT OR THIRD PARTY CLAIMANT CLASS ARBITRATION OR LITIGATION AGAINST US. YOU ACKNOWLEDGE THAT THE REMEDIES PROVIDED TO AND FOR YOU UNDER THIS AGREEMENT ARE SUFFICIENT AND ACCEPTABLE TO YOU AND PROVIDE YOU WITH AN APPROPRIATE MEANS TO SEEK REDRESS AGAINST US FOR BREACH OF THIS AGREEMENT OR APPLICABLE LAW.

21.13. Governing Law. EXCEPT TO THE EXTENT THIS AGREEMENT OR ANY PARTICULAR DISPUTE IS GOVERNED BY THE U.S. TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §1051 AND THE SECTIONS FOLLOWING IT) OR OTHER FEDERAL LAW, THIS AGREEMENT AND THE FRANCHISE ARE GOVERNED BY TENNESSEE LAW, EXCLUDING ANY LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP BETWEEN A FRANCHISOR AND FRANCHISEE, UNLESS THE JURISDICTIONAL REQUIREMENTS OF SUCH LAWS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION. ALL MATTERS RELATING TO ARBITRATION ARE GOVERNED BY THE FEDERAL ARBITRATION ACT. References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

21.14. ~~Jurisdiction.~~ YOU AND WE CONSENT AND IRREVOCABLY SUBMIT TO THE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED IN DAVIDSON COUNTY, TENNESSEE AND WAIVE ANY OBJECTION TO THE JURISDICTION AND VENUE OF SUCH COURTS. THE EXCLUSIVE CHOICE OF JURISDICTION DOES NOT PRECLUDE ARBITRATION

AS DESCRIBED IN THIS AGREEMENT OR THE BRINGING OF ANY ACTION BY THE PARTIES OR THE ENFORCEMENT BY THE PARTIES OF ANY JUDGMENT OBTAINED IN ANY SUCH FORUM, IN ANY OTHER FORUM OR THE RIGHT OF THE PARTIES TO CONFIRM OR ENFORCE ANY ARBITRATION AWARD IN ANY FORUM HAVING PERSONAL JURISDICTION OVER ANY PARTY.

21.15.—Waiver of Jury Trial. YOU AND WE EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US.

21.16.—Cumulative Remedies. The rights and remedies provided in this Agreement are cumulative and neither you nor we will be prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

21.17.—Costs and Attorneys' Fees. If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal or arbitration proceeding or if either you or we are required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

21.18.—Binding Effect. This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided in this Agreement, this Agreement will also be binding on your successors and assigns, and your heirs, executors and administrators.

21.19.—Entire Agreement. This Agreement, including the introduction, addenda and exhibits to it, constitutes the entire agreement between you and us. There are no other oral or written understandings or agreements between you and us concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement. If we propose a change to this Agreement and all Franchise Agreements for Just Love Coffee & Cafe shops, we may modify this Agreement upon notice to you if sixty-five percent (65%) of franchisees for Just Love Coffee & Cafe shops vote to accept the amendment. Otherwise, this Agreement may be modified only by written agreement signed by both you and us. However, nothing contained in this Section will limit your right to rely on statements made in our Franchise Disclosure Document.

21.20.—No Liability to Others; No Other Beneficiaries. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement. Except as specifically described in this Agreement, no other party has any rights because of this Agreement. The Franchisee acknowledges that other Just Love® franchisees have or will be granted franchises at different times, different locations, under different economic conditions and in different situations, and further acknowledges that the economics and terms and conditions of such other franchises may vary substantially in form and in substance from those contained in this Agreement.

21.21.—**Construction.** The headings of the sections are for convenience only. If two (2) or more persons are at any time Franchise owners hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us are joint and several. This Agreement may be signed in multiple copies, each of which will be an original. “**A or B**” means “**A**” or “**B**” or both.

21.22.—**Certain Definitions.**

(a) The term “**Liquidated Damages**” means the present value of the combined Royalty Fee and System Development Fee for the unexpired portion of the Term, based on your average monthly Royalty Fee and System Development Fee payable during the twelve (12) months preceding termination times the lesser of (a) the remainder term of the Franchise Agreement and (b) 36 months; assuming payment at the end of each month in the period, using monthly compounding at the discount rate equal to the sum of (i) the Applicable Federal Rate published by the Internal Revenue Service for the period ending closest to the end of the Term, plus (ii) two hundred (200) basis points.

(b) The term “**Satellite Outlet**” means a mobile Just Love Coffee & Cafe that serves different varieties of coffee and tea and waffle-based menus through preparation at or in a Pushcart Food Truck, Mobile Kiosk Cart, ~~or Food Truck Trailer, or Pushcart~~ and is not a Pop-up Location, unless we determine, at our sole discretion, that such a station is used on a regular scheduled basis.

(bc) The term “**Food Truck**” means a self-propelled Vehicle with enclosed preparation and service space that is sourced, equipped, maintained, and operating according to our System Standards using our name and Marks, or such other name and marks as we may specify under the Operations Manual, as amended. Each Food Truck offers a proprietary line of different varieties of coffee and tea and waffle-based menus different varieties of coffee and tea and waffle-based menus.

(ed) The term “**Mobile Kiosk Cart**” means a mobile Vehicle that is not selfpropelled with enclosed preparation and service space that is sourced, equipped, maintained, and operating according to our System Standards using our name and Marks, or such other name and marks as we may specify under the Operations Manual, as amended. Each Mobile Kiosk Cart offers a proprietary line of different varieties of coffee and tea and waffle-based menus.

(ee) The term “**Pop-up Location**” means, subject to the prior written consent of Franchisor, temporary locations that at special events, which take place in the Primary Area listed in Exhibit “A.”

(ef) The term “**Pushcart**” means a Vehicle powered by the operator with open preparation and service space that is sourced, equipped, maintained, and operating according to our System Standards using our name and Marks, or such other name and marks as we may specify under the Operations Manual, as amended.

(g) The term “**Trailer**” means a self-contained vehicle with enclosed preparation and service space designed to be towed by another vehicle and sourced, equipped, maintained, and operated according to our System Standards. Each Trailer will offer a proprietary line of different varieties of coffee, tea, and limited menu items. f

(h) The term “**Vehicle**” means the Food Truck, Mobile Kiosk Cart, Trailer, or Pushcart you purchase or lease for the purpose of adapting it to the System Standards and operating it as a Satellite Outlet under this Franchise Agreement and the Satellite Outlet Addendum.

(ei) The term “**family member**” refers to parents, spouses, offspring and siblings, and the parents and siblings of spouses.

(hj) The term “**affiliate**” means any Business Entity directly or indirectly owned or controlled by a person or another Business Entity, under common control with a person or another Business Entity, or a Business Entity controlled by the Business Entity.

(ik) The terms “**franchisee, franchise owner, you and your**” are applicable to one or more persons, a Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine.

(jl) The term “**person**” includes individuals and Business Entities. You and we are sometimes referred to individually as a “**party**” and collectively as “**parties**.”

(km) The term “**section**” refers to a section or subsection of this Agreement.

(ln) The word “**control**” means the power to direct or cause the direction of management and policies.

(mo) The word “**owner**” means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.

(np) Where a measure of distance is indicated, the distance is measured as a straight-line shortest measure from such two points.

21.23.—**Timing is of the Essence.** It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words “**from**” and “**commencing on**” (and the like) mean “**from and including**”; and the words “**to**,” “**until**” and “**ending on**” (and the like) mean “**to but excluding**.” Indications of time of day mean Tennessee time.

21.24.—**Exercise of our Business Judgment.** We have the right, in our sole judgment to operate, develop and change the System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on the information readily available to us and our judgment of what is in our and/or our franchise network’s best interests at the time our decision is made, regardless of whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision or the action we take promotes our financial or other individual interest.

21.25.—**Electronic Mail.** You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and Affiliates (“**Official Senders**”) to you during the Term. You further agree that (a) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (b) you will cause your officers, directors, and employees to give their consent to Official Senders’ transmission of emails to them; (c) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (d) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term. The consent given in this Subsection will not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

22. **NOTICES AND PAYMENTS.**

All written notices and reports permitted or required under this Agreement or by the Manuals will be deemed delivered:

- (a) two (2) business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or
- (b) three (3) business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid.

All such notices must be addressed to the parties as follows:

If to Us:	JUST LOVE FRANCHISE GROUP, LLC 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027 Attention: Alan Thompson alan@justlovecorpcom
If to You:	As indicated in Exhibit “A”

(c) the Principal Owner's (defined below on this page) Statement will completely and accurately describe all of your owners and their interests in you (a copy of our current form of Principal Owner's Statement is attached hereto as Exhibit "E");

(d) you and your owners agree to revise the Principal Owner's Statement, as may be necessary, to reflect any ownership changes and to furnish such other information about your organization or formation as we may request (no ownership changes that reduce your ownership below fifty-one percent (51%) may be made without our approval);

(e) a ("**Principal Owner**") of the Business Entity (defined as a person with at least a twenty percent (20%) ownership interest) must: (i) have management responsibility and authority over the Business on a day-to-day basis; (ii) be actively employed on a full-time basis to manage the Just Love Coffee & Cafe's operations; (iii) be present at the Just Love Coffee & Cafe for at least fifty percent (50%) of the hours the Just Love Coffee & Cafe is open to the public for business; (iv) be bound by our then current form of Confidentiality Agreement (or other form satisfactory to us); and (v) satisfactorily complete our initial training program and any other training programs we request during the Term (defined in Section 2.3);

(f) each of your Principal Owners, during the Term of this Agreement, will sign and deliver to us our standard form of Principal Owner's Guaranty ("**Owner's Guaranty**") undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between you and us. A copy of our current form of

Principal Owner's Guaranty is attached hereto as Exhibit "F"; and

(g) at our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and agents (like Articles of Incorporation or organization and partnership, operating or shareholder agreements).

23.3. **Acknowledgments.** You acknowledge and agree that:

(a) you have read this Agreement and our Franchise Disclosure Document;

(b) you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each Just Love Coffee & Cafe and to protect and preserve the System, Copyrights and goodwill of the Marks;

(c) you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a Just Love Coffee & Cafe may evolve and change over time;

(d) an investment in a Just Love Coffee & Cafe involves business risks and that your business abilities and efforts are vital to the success of the venture;

(e) any information you acquire from other Just Love Coffee & Cafe franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information; and

(f) in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such persons as a result of this Agreement are solely between you and us.

23.4. **Representations.** You represent to us, as an inducement to our entry into this Agreement, that:

(a) all statements you have made and all materials you have submitted to us in connection with your purchase of a Just Love Coffee & Cafe Franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the Franchise;

(b) you will comply with and/or assist us to the fullest extent possible in our efforts to comply with 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 any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war (the “**Anti-Terrorism Laws**”);

(c) neither you nor any of your owners, employees, agents, property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that neither you nor they are otherwise in violation of any of the Anti-Terrorism Laws; and

(d) you have read, in their entirety, this Agreement and the Franchise Disclosure Document.

We have approved your request to purchase a Just Love Coffee & Cafe in reliance on all of your representations.

[Signature page follows.]

EXHIBIT "A"
TO THE
JUST LOVE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
DATED _____, 2023
WITH

(Name of Franchise Owner)

1. Primary Area. The Primary Area for your Just Love Coffee & Cafe (as referenced in Section 2.1) is as follows [Check one to indicate]: Area within a geographic area we determine to be within a five (5) minute driving distance radius of the Site; or the following geographic area*:

Map of Primary Area Attached.

2. Site. The address of your approved Site is:

3. Franchise Fee. The Franchise Fee is: \$ _____

4. Opening Date. Your Opening Date must occur prior to _____.

5. Royalty. The Royalty is six percent (6%) of Gross Sales.

6. System Development Fee. Up to three percent (3%) of Gross Sales, currently two percent (2%) of Gross Sales.

governmental codes and regulations. The signage may include: (a) signage on the exterior front wall of the Premises; (b) signage on another exterior portion of the Premises; (c) a separate pylon sign on the property; (d) separate signage on the property; (e) a panel on the pylon sign for the property; and (f) other signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant.

5. Access to Premises. During the Term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to inspect the Premises and Tenant's business operations in accordance with the Franchise Agreement.

6. Copies of Reports. The Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of the Tenant's Just Love Coffee Café on a timely basis as the Franchisor may request, during the Term of the Lease.

7. Notice of Default. The Landlord will give written notice to the Franchisor

(concurrently with the giving of such notice to the Tenant) of any default (a "**Default**") by the Tenant under the Lease by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time-to-time:

Just Love Franchise Group, LLC
761 Old Hickory Blvd, Suite 300
Brentwood, Tennessee 37027
Attention: Alan Thompson

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within fifteen (15) days after the expiration of the period in which the Tenant may cure the Default under the Lease.

8. Franchisor's Assumption of Lease. In the event of a Default of the Lease by Tenant or the Default of the Franchise Agreement by Tenant, and upon written notice by the Franchisor to have the Lease assigned to the Franchisor as lessee (the "**Assignment Notice**"), (i) the Franchisor will become the lessee of the Premises and will be liable for all obligations under the Lease arising after the date of the Assignment Notice, and (ii) the Landlord will recognize the Franchisor as the lessee of the Premises effective as of the date of the Assignment Notice.

9. Default Under Franchise Agreement. Any Default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

10. Non-Disturbance. So long as the Lease Term continues and the Tenant is not in Default under the Lease, the Tenant's use, possession and enjoyment of the Premises will not be interfered with by any lender of the Landlord or any other person. The Landlord agrees to use its

best efforts to obtain prior to commencement of the Lease any documents necessary to ensure the foregoing, including a Subordination, Non-Disturbance and Attornment Agreement or similar agreement.

11. Amendment. The Landlord and the Tenant will not cancel, terminate, modify or amend the Lease including, without limitation, the Franchisor's rights under this Addendum, without the Franchisor's prior written consent.

12. Benefits and Successors. The benefits of this Addendum inure to the Franchisor and to its successors and assigns.

13. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect.

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature.

“LANDLORD”

“TENANT”

Address: _____

Phone: _____

Address: _____

Phone: _____

By: _____
Name: _____
Name: _____
:
Date: _____

By: _____

Title: _____
Title: Date: _____

**EXHIBIT “A”
TO ADDENDUM TO LEASE AGREEMENT**

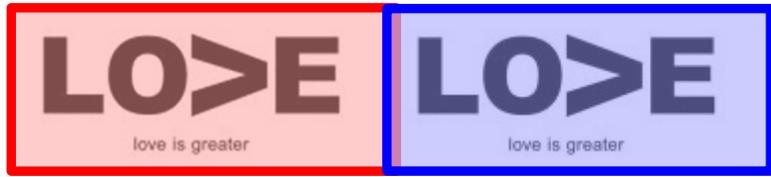
**Marks
(Not an exclusive list)**

Just Love Coffee Roasters® (word and design Mark)



Just Love Coffee & Café® (word and design Mark)





**EXHIBIT “D” TO THE
JUST LOVE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
DATED _____, 2023
WITH**

(Name of Franchise Owner)

SATELLITE OUTLET ADDENDUM TO FRANCHISE AGREEMENT

**Satellite Outlet Addendum to
Franchise Agreement**

THIS ADDENDUM (“Addendum”) is made and entered into on _____, 20__ (“Addendum Date”), by and between Just Love Franchise Group, LLC, a Florida limited liability company (“we,” “us,” or “our”), as Franchisor, located at _____, and _____, a _____ (“you” or “your”), as Franchisee, located at _____.

You and we entered into that certain Franchise Agreement on _____, 20__ (such Agreement, together with any amendments and addendums, the “Franchise Agreement”).

You seek to open a Satellite Outlet [in connection with your Business at the Site granted under the Franchise Agreement]. [Based on your ability to operate your Business successfully, w/W] e approve you to operate a Satellite Outlet. The Satellite Outlet will operate as a [Food Truck/Mobile Kiosk Cart/ [Trailer](#)/Pushcart].

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

1. Definitions. All definitions in the Franchise Agreement shall apply to this Addendum unless the context otherwise indicates.

(a) Satellite Outlet Opening Date means the date that the Satellite Outlet shall begin operating, which shall be no later than one hundred fifty (150) days after the Addendum Date.

exercise our right to purchase your Business. Under such circumstances, you must change the exterior and interior design and decor of the Vehicle and make any and all changes which we direct to distinguish the Vehicle from its appearance as a Vehicle associated with the System. Any transfer of the rights or obligations that may occur under the Franchise Agreement will include the assignment or transfer of rights or obligations under this Addendum.

7. Indemnification. You acknowledge that the indemnification set forth in Section 18 of the Franchise Agreement extends to any claim arising from the condition, premises, or events occurring at the Satellite Outlet.

8. Interpretation. This Addendum shall supplement and not replace the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, this Addendum shall be controlling.

9. Further Changes. Except as specifically provided in this Addendum, all of the terms, conditions and provisions of the multi-unit operator agreement will remain in full force and effect as originally written and signed.

[Signature page follows.]

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR

JUST LOVE FRANCHISE GROUP LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:



ADDENDUM TO FRANCHISE

AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between JUST LOVE FRANCHISE GROUP, LLC ("Franchisor"), located at 2000 MALLORY LANE, SUITE 130-253, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).



ADDENDUM TO FRANCHISE

AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between JUST LOVE FRANCHISE GROUP, LLC ("Franchisor"), located at 2000 MALLORY LANE, SUITE 130-253, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR :

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR _____ :

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE _____ :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

Owners. The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

Owner's Name	Address	Description of Interest
--------------	---------	-------------------------

_____	_____	
_____	_____	
_____	_____	_____
_____	_____	_____
_____	_____	_____

Governing Documents. Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of your entity (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

This Statement of Principal Owners is current and complete as of _____, 20__.

INDIVIDUALS:

Signature		
Name:		
Signature		
Name:		

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

Name

By:

Title: _____

**EXHIBIT "G" TO THE
JUST LOVE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
DATED _____, 2023
WITH**

(Name of Franchise Owner)

**FORM OF
OWNER'S GUARANTY**

PRINCIPAL OWNER GUARANTY

This Principal Owner Guaranty (this "**Guaranty**") must be signed by the principal owners (referred to as "**you**" for purposes of this Guaranty only) of _____ (the "**Business Entity**") under the Franchise Agreement effective as of _____, 2023 (the "**Agreement**") between the Business Entity and JUST LOVE FRANCHISE GROUP, LLC ("**us**," "**our**" or "**we**").

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Agreement, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that your Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.

3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or

performance required under the Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Agreement and, if required by the Agreement, after its termination or expiration.

4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial or arbitration proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants', attorneys', attorney's assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on the Agreement Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Agreement. This Guaranty is governed by Florida law and we may enforce our rights regarding it in the courts of Hillsborough County, Florida. Each of you irrevocably submits to the jurisdiction and venue of such courts.

Each of you now sign and deliver this Guaranty effective as of the date of the Agreement regardless of the actual date of signature.

PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY

GUARANTORS

_____  Name: 

_____  Name: 

_____  Name: 

Name: _____

-
Name: _____

EXHIBIT H
STATE-SPECIFIC ADDENDA TO FRANCHISE AGREEMENT

JUST LOVE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT
FLORIDA ADDENDUM

THIS ADDENDUM (this “**Addendum**”) is made and entered into by and between **JUST LOVE FRANCHISE GROUP, LLC** (“**we**”, “**our**” or “**us**”), as franchisor, and _____ (“**you**”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date (the “**Franchise Agreement**”). The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. This Agreement contains covenants not to compete. Both you and we acknowledge and understand that (a) these provisions may or may not be enforceable under applicable Florida law, and (b) if any such provision is determined by a court or agency having valid jurisdiction to be unenforceable under applicable Florida law, then there shall automatically be added to this Agreement a provision as similar in terms to such unenforceable provision as may be possible and legal, valid and enforceable.

2. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Florida.

The undersigned have executed and delivered this Addendum effective concurrently with the execution and delivery of the Franchise Agreement.

“**US**”:
JUST LOVE FRANCHISE GROUP, LLC

“**YOU**”:

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

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

By:

**JUST LOVE FRANCHISE GROUP, LLC FRANCHISE
AGREEMENT**

“US”:
JUST LOVE FRANCHISE GROUP, LLC

“YOU”:

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

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

Name: _____ Title: _____
Date: _____

By: _____

INDIANA ADDENDUM

THIS ADDENDUM (this “**Addendum**”) is made and entered into by and between **JUST LOVE FRANCHISE GROUP, LLC** (“we”, “our” or “us”), as franchisor, and _____ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date (the “**Franchise Agreement**”). The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. The laws of the State of Indiana supersede any provisions of this Franchise Agreement, the other agreements or Tennessee 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 Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Section 16.2 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the ~~Franchised~~ System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.
4. No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 23.13 of the Franchise Agreement, is amended to provide that each such agreement (as applicable) will be construed in accordance with the laws of the State of Indiana.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.

7. Section 21.15 (Jury Trial Waiver) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

“US”:
JUST LOVE FRANCHISE GROUP, LLC

“YOU”:

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

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

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

MARYLAND ADDENDUM

This “Addendum” is made and entered into by and between _____, a _____ (“we”, “our” or “us”), as franchisor and _____, a _____ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date.

1. Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we have posted a Maryland Surety Bond in the principal amount of \$~~39,000~~89,000 as financial assurance for our performance. The surety bond secures our obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the offering.

2. Our right to terminate pursuant to Section 16.2 of the Franchise Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 *et seq.*).

**JUST LOVE FRANCHISE GROUP, LLC FRANCHISE
AGREEMENT**

3. Any general release required as a condition of renewal, sale, and/or assignment or transfer of the Store or the Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The Franchise Agreement provides that specified disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. [The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.](#) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. 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.

7. 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.

8. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

“US”:
JUST LOVE FRANCHISE GROUP, LLC

“YOU”:

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

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

JUST LOVE FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

THIS ADDENDUM (this “ ”) is made and entered into by and between **JUST LOVE FRANCHISE GROUP,** (“us”), as franchisor, and _____ (“ ”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date (the “**Franchise Agreement**”). The following provisions supersede and control any conflicting provisions of the

1. Notwithstanding anything in Section 16 to the contrary, if you fail to meet performance and quality standards or fail to make any payments under the Franchise Agreement, you shall be afforded thirty (30) days written notice with an opportunity to cure the default before termination.

2. Section 21.13 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

“The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of the State of Tennessee.”

3. Section 21.14 of the Franchise Agreement is amended by adding the following sentence at the end of the Section:

“Any provision which designates jurisdiction or venue or requires Franchisee to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.”

4. Section 21.15 of the Franchise Agreement is hereby deleted.

5. The following provision shall be added to the end of Section 21.19 of the Franchise Agreement:

“Pursuant to SDCL 37-5B, any acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.”

6. Any provision of the Franchise Agreement that provides that the parties waive their rights to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

7. ~~After an examination of the financial statements of the Franchisor, the State of South Dakota Department of Labor and Regulation requires us to provide financial assurance regarding performance of our obligations to you before you open your Business. We have elected to defer payment Initial Franchise Fees as provided below.~~

~~8.~~ Notwithstanding Section 6.1 and Schedule A of the Franchise Agreement, the Initial Franchise Fee shall be payable when you open the Business and we have fulfilled all of our pre-opening obligations to you under the Franchise Agreement.

~~98.~~ Notwithstanding Section 6.1 and Exhibit A of the Franchise Agreement, the Initial Franchise Fee shall be payable when you open the Business and we have fulfilled all of our pre-opening obligations to you under the Franchise Agreement.

~~109.~~ You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement and we can suspend providing services to you and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.

~~110.~~ You acknowledge that your failure to pay the Initial Franchise Fee when due for a Development Unit developed under an Area Development Agreement is a material default under its Franchise Agreement and the Area Development Agreement, and we can suspend providing services to you and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee. In addition, you will have no right to proceed with developing other Development Units, and our obligation to provide services and approvals to under the Area Development Agreement, shall be suspended until we receive the Initial Franchise Fee then due. No such failure to pay the Initial Franchise Fee when due and the resulting suspension of our performance shall extend any deadline for your performance under the Area Development Agreement.

~~1211.~~ All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of South Dakota.

The undersigned have executed and delivered this Addendum effective concurrently with the execution and delivery of the Franchise Agreement.

“US”:
JUST LOVE FRANCHISE GROUP, LLC

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

“YOU”:

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

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



JUST LOVE FRANCHISE GROUP, LLC

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this “Agreement”) is made and entered into as of _____ (the “Effective Date”), by and between Just Love Franchising Group, LLC, a Florida limited liability company (“we,” “us” or “our”), as franchisor, and _____, a _____ (“you” or “your”), as developer. The parties mutually agree, for good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, as follows:

1. **Definitions.** Words and phrases used in initially-capitalized form in this Agreement have the meanings set forth in Section 29 this Agreement and Section 21.22 of the form of Franchise Agreement attached as Attachment B unless the context indicates otherwise.

3. Performance Schedule.

(a) You must develop at least the number of Development Units within the Development Area specified below in accordance with the following schedule:

<u>Development Unit Number</u>	<u>FA/Lease Deadline</u>	<u>Desired Market Area</u>
One		
Two		

(b) You meet the FA/Lease Deadline by signing a Franchise Agreement for the Development Unit after obtaining our approval of the proposed site as provided below. The Franchise Agreement will then govern the lease or purchase contract signing deadline, development, completion and opening of the Development Unit.

(c) You may develop and open any number of additional Development Units within the Development Area during the Development Term, so long as you follow our standard application and acceptance process for each Development Unit. You may develop Just Love Coffee & Cafe shops outside the Development Area using the Franchise Agreement form attached so long as each franchised Just Love Coffee & Cafe is not located within another developer's development area or the Primary Area of another Just Love Coffee & Cafe, but your Development Fee will not be applied to the initial fees due for each such Just Love Coffee & Cafe, and these Development Units will have no effect on measuring compliance with your Performance Schedule.

4. Development Term. The “Development Term” of this Agreement commences on the Effective Date and the rights granted to you under this Agreement will expire on the earlier of the fifth anniversary of the Effective Date (the “Target Date”), or when all of the Just Love Coffee & Cafe shops required under the Performance Schedule are open and operating under their respective Franchise Agreements (the “Completion Date”), unless terminated earlier in accordance with this Agreement.

5. Development & Initial Fees. You commit to pay us the initial franchise fees of \$39,000 for the first Development Unit and \$25,000 for each additional Development Unit required by the Performance Schedule. When you sign this Agreement, you will pay us a Development Fee equal to \$39,000, applied to the initial franchise fee for the first Development Unit, and one-half (\$12,500) of the \$25,000 initial franchise fee for each additional Development Unit you commit to develop, with the remainder of the initial franchise fee due at the execution of the Franchise Agreement. You must pay a grand total due at signing of \$_____. The Development Fee will be credited to payment of the initial franchise fee for each of the Development Units as described above. If you do not complete the Performance Schedule by the Target Date, we will retain the Development Fee that has not been applied to initial franchise fees. The Development Fee is non-refundable.

6. Site Submission. You must submit the information we may then require from franchise applicants to evaluate a proposed site for a Development Unit at the time you begin to

longer period as may be required by applicable law. If you cannot cure the default within the notice period because of the nature of the default or if you notify us orally or in writing that you do not intend to cure the default, we may terminate this Agreement immediately upon notice to you. Upon the termination of this Agreement, you immediately will cease to select and acquire sites for Development Units or hold yourself out as a Just Love Coffee & Cafe area developer. The termination of this Agreement will not affect your right to complete development of and operate a Just Love Coffee & Cafe in accordance with any executory Franchise Agreement with us.

14. Termination by Us for Commercial Impracticability. The Parties agree that the commercial purpose of this Agreement is for Franchisor to license the System specified by Franchisor to Franchisee for use in operating the Just Love Coffee & Cafe strictly in accordance with the Manual, in exchange for payment of the Fees and under the conditions set forth in this Agreement. This Agreement intends for Franchisee to control the terms and conditions of employment for the employees of the Just Love Coffee & Cafe, and to supervise such employees as their employer, as set forth in Franchise Agreement Section 11.12 without constituting Franchisor as a joint employer of Franchisee or Franchisee's employees. Franchisee acknowledges that Franchisor is not in the business of owning and operating any Just Love Coffee & Cafe, and Franchisee has independently decided to enter into this Agreement to obtain the right to use the System so as to enter into the trade and business contemplated by the System. Franchisor may terminate this Agreement by written notice to Franchisee without penalty and without payment of any refunds or damages to Franchisee, and Franchisee will follow its post-termination obligations under Franchise Agreement Section 17 at its expense, if Franchisor determines in its sole discretion that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the Parties directly or indirectly that Franchisor reasonably expects will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the Parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of this Agreement, (B) makes performance of this Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the Parties, (D) deprives any Party of its benefits of the bargain struck by the Parties, as originally set forth in this Agreement, or (E) determines that an employment or a joint employment relationship exists between Franchisor and Franchisee.

15. Certain Waivers.

(a) **YOU AND WE WAIVE THE RIGHT TO PURSUE AND RECEIVE ANY EXEMPLARY AND PUNITIVE DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW.**

Us:— Just Love Franchising Group, LLC Attention:
CEO
761 Old Hickory Blvd, Suite 300
Brentwood, TN 37027
Email: alan@justlovecorp.com

You: _____

Email: _____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving notice to the other party.

22. Governing Law. This Agreement shall be governed by the laws of Tennessee (without regard to any conflicts of law principles).

23. Resolution of Disputes. Subject to Section 17, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall be the federal and state courts where our principal place of business is located at the time of filing. As of the Effective Date, venue shall be exclusive in the federal or state courts sitting in Davidson County, Tennessee. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

24. Legal Fees. In the event either party succeeds in any legal action to enforce the provisions of this Agreement, the losing party will reimburse the prevailing party for its attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party. The award will include an amount for that portion of the prevailing party's administrative overhead reasonably allocable to the time devoted by the prevailing party's in-house legal staff.

25. Construction. The parties acknowledge that each party and/or its legal counsel have reviewed and made revisions to this Agreement. The rule of construction requiring the resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement or any attachments to this Agreement.

26. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance. If a court of competent jurisdiction holds any provision of this Agreement too broad to allow enforcement to its full extent, the court will have the power and authority to enforce the provision to the maximum extent permitted by law and may modify the scope of the provision accordingly pursuant to an order of the court.

[Business Entity Name]

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

MARYLAND ADDENDUM

This Addendum to the Area Development Agreement by and **JUST LOVE FRANCHISE GROUP, LLC** (“we”, “our” or “us”), as franchisor, and _____ (“you”), as developer, to amend and supplement that certain Area Development Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Area Development Agreement:

1. Based on our financial condition, the Maryland Securities Commissioner has required a financial assurance. We have posted a Minnesota Surety Bond in the principal amount of \$~~39,000~~89,000 as financial assurance for our performance. The surety bond secures our obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the offering.

2. Our right to terminate pursuant to Section 12(b) of the Area Development Agreement if you commence bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C.A. 101 *et seq.*).

3. Any general release required as a condition of renewal, sale, and/or assignment or transfer of the Store or the Area Development Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. [The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.](#) Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. 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.

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

7. All other rights, obligations, and provisions of the Area Development Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Area Development Agreement for the State of Maryland.

**JUST LOVE FRANCHISE GROUP, LLC
AREA DEVELOPMENT AGREEMENT**

2. Section 22 of the Area Development Agreement is amended by adding the following sentence at the end of the Section:

“The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the applications, construction, enforcement and interpretation under the governing law of the State of Delaware.”

3. Section 23 of the Area Development Agreement is amended by adding the following sentence at the end of the Section:

“Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.”

4. The following provision shall be added to the end of Section 19 of the Area Development Agreement:

“Pursuant to SDCL 37-5B, any acknowledgment provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this chapter or a rule or order under this chapter.”

5. Any provision of the Area Development Agreement that provides that the parties waive their rights to claim punitive, exemplary, incidental, indirect, special or consequential damages or any provision that provides the parties waive their right to a jury trial may not be enforceable under South Dakota law.

6. ~~After an examination of the financial statements of the Franchisor, the State of South Dakota Department of Labor and Regulation requires us to provide financial assurance regarding performance of our obligations to you before you open your Business. We have elected to defer payment of fees as provided below.~~

7. ~~—~~You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement and the we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.

87. You acknowledge that your failure to pay the Initial Franchise Fee when due for a Franchised Restaurant developed under an Area Development Agreement is a material default under its Franchise Agreement and the Area Development Agreement, and the we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee. In addition, you will have no right to proceed with developing other Franchised Restaurants, and our obligation to provide services and approvals to under the Area Development Agreement, shall be suspended until we receive the Initial Franchise Fee then due. No such failure to pay

the Initial Franchise Fee when due and the resulting suspension of our performance shall extend any deadline for your performance under the Area Development Agreement.

98. All other rights, obligations, and provisions of the Area Development Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Area Development Agreement for the State of South Dakota.

The undersigned have executed and delivered this Addendum effective concurrently with the execution and delivery of the Area Development Agreement.

“US”:
JUST LOVE FRANCHISE GROUP, LLC

“YOU”:

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

Name: _____
Date: _____

Name: _____
Date: _____

[Business Entity Name]

Name: _____ Title: _____
Date: _____

By: _____

EXHIBIT E TO THE DISCLOSURE DOCUMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

**AND
LISTINGS**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this “**Assignment**”) is effective as of _____, ~~2022~~2025, between JUST LOVE FRANCHISE GROUP, LLC, a Florida limited liability company, with its principal place of business at 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027 (“**we**,” “**us**” or “**our**”) and _____, whose current place of business is

_____ (“**you**” or “**your**”). You and we are sometimes referred to collectively as the “**parties**” or individually as a “**party**.”

BACKGROUND INFORMATION:

6. No Assignment. Releasor represents and warrants to Released Parties that Releasor has not assigned or transferred to any other person any claim or right Releasor had or now has relating to or against the Released Parties.

7. Damages. Releasor acknowledges and agrees that if Releasor violates this Release, Releasor will cause the Released Parties immediate economic harm in the form of the Released Parties' time, economic disruption and attorneys' fees in responding to any such lawsuit or claim released hereunder. Accordingly, should Releasor file suit or counterclaim (in litigation or arbitration) or threaten any of the same, Releasor will immediately, upon demand from Released Parties, pay to Released Parties \$25,000 as partial, but not full accord and satisfaction of such expenses incurred or likely to be incurred by them in evaluating and responding to such claims or threatened claims. Such liquidated damages will not preclude or be in lieu of any other actual or consequential damages, or attorneys' fees bore by Releasor hereunder or as a breach hereof.

8. In this Release, each pronoun includes the singular and plural as the context may require.

9. This Release is governed by Tennessee law or [] _____ law (if box checked).

This Release is effective _____ 20__ notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned Releasor executes this Release:

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

STATE OF _____) COUNTY OF _____
_____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by _____, on behalf of _____ who is personally known to me or has produced _____ as identification.

Signature of Notary
Printed Name of Notary _____
Notary Public, State of _____
Serial Number of Notary _____

RELEASE AND AGREEMENT NOT TO SUE -- CURE

THIS RELEASE AND AGREEMENT NOT TO SUE (the "**Release**") is given by and on behalf of _____ and all of its predecessors, parent entities, affiliates, equity owners, officers, directors, managers, employees, agents, affiliates, subsidiaries and parent entities, and their respective legal representatives, successors and assigns, heirs, beneficiaries, executors and administrators (individually and

This Release is effective _____ 20__ notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned Releasor executes this Release:

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

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__ by _____, on behalf of _____ who is personally known to me or has produced _____ as identification.

Signature of Notary
Printed Name of Notary _____
Notary Public, State of _____
Serial Number of Notary _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**FORM
OF**

ELECTRONIC FUNDS TRANSFER AGREEMENT

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**

JUST LOVE FRANCHISE GROUP, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN

The undersigned _____ (hereinafter referred to as Depositor) hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above-named Payee. Such or debits shall take place on a monthly basis on or about the 5th of each month with a minimum amount of \$1,600 and a maximum amount of \$6,500 per transaction. Such minimum and maximum amounts may be amended at any time by any written notice from Depositor to Just Love Franchise Group, LLC. Depositor agrees that Depositor's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Undersigned represents and warrants to Just Love Franchise Group, LLC that the person executing this form is an authorized signatory on the Account referenced above and all information regarding the Account and Account Owner is true and correct.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____ Phone #: _____

Name of Franchisee/Depositor (please print) _____

Signature/Title of Authorized Representative: _____

Date: _____

EXHIBIT H TO THE DISCLOSURE DOCUMENT

**FORM
OF
CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION
AGREEMENT**

**CONFIDENTIALITY, NON-SOLICITATION
AND NON-COMPETITION AGREEMENT**

THIS CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT (this “**Agreement**”) is effective as of _____, 20____, between _____ (“**we,**” “**us,**” “**our**” or “**Franchisee**”) and _____ (“**you**” or “**your**”), an employee or independent contractor of ours.

BACKGROUND INFORMATION:

We have entered into a Franchise Agreement (the “**Franchise Agreement**”) with JUST LOVE FRANCHISE GROUP, LLC, a Florida limited liability company (the “**Franchisor**”) to operate a JUST LOVE COFFEE & CAFÉ at _____ (the “**Site**”). The Just Love Coffee & Café specializes in providing on premises consumption and retail sale of coffee, tea and related food items and is operated pursuant to formats, specifications, standards methods and procedures prescribed or approved by the Franchisor (the “**System**”). We possess or have access to certain confidential information relating to the System; including the operations Manual; other proprietary materials; the sales and marketing techniques used, knowledge of and experience in developing and operating a Just Love Coffee & Café; customer information; knowledge of specifications for and suppliers of certain goods, products, services, and supplies used by or related to the System, certain of which the Franchisor licenses to us or which are developed by us under the Franchise Agreement but are owned by the Franchisor (the “**Confidential Information**”).

(a) The term “**Competitive Business**” means any business or facility owning, operating or managing or granting franchises or licenses to others to do so, any store or facility that offers or sells for on-site consumption or retail sale coffee, tea and/or related food products or services or any other products or services or related products and accessories that are the same or similar to the Products and Services offered by Just Love Coffee & Café shops (other than a Just Love Coffee & Café under a franchise agreement with us). A Competitive Business also includes any business acting as an Area Representative, franchise broker, business broker, franchise seller, Area Representative or the like for any business franchising or licensing Competitive Businesses other than us.

(b) The term “**person**” means any corporation, professional corporation or association, partnership (limited or general), joint venture, trust, association or other entity or enterprise or any natural person.

(c) The term “**affiliate**” means, with respect to any person, any other person that directly, indirectly, or through one or more intermediaries, controls, is controlled by or is under common control with, such person, and includes any subsidiaries or other entities that are beneficially owned by such person or its affiliates.

(d) The term “**attorney’s fees**” means any and all charges levied by an attorney for his services, including time charges, expenses and other reasonable fees including paralegal fees and legal assistant fees, and includes fees earned in settlement, at trial, on appeal or in bankruptcy proceedings.

11. **Attorneys’ Fees.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Agreement, the prevailing party will be entitled to full reimbursement of its litigation or arbitration expenses from the other party. Litigation or arbitration expenses include attorneys’ fees, costs, arbitration fees, expert witness fees and other related expenses including paralegal fees, travel and lodging expenses and court and arbitration filing costs. Reimbursement is due within 30 days of written notice after determination.

12. **Governing Law.** This Agreement is governed by the law of the state where the Just Love Coffee & Café is located.

13. **Third Party Beneficiary.** The parties understand and acknowledge that the Franchisor is a third-party beneficiary of the terms of this Agreement and, at its option, may enforce the provisions of this Agreement against you. Your obligations under this Agreement will continue for the benefit of our and the Franchisor’s successors and assigns.

14. **Survival.** The provisions of this Agreement survive any termination of the Franchise Agreement or the relationship between you and us.

15. **Background Information.** The background information is true and correct and is incorporated into this Agreement. This Agreement will be interpreted with reference to the background information,

Intending to be bound, the parties sign below:

THE “FRANCHISEE”:

“YOU”:

THE “FRANCHISEE”:

“YOU”:

By:

Name:

Its:

Date:

Name:

Date:

EXHIBIT A TO CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION AGREEMENT

If you are located in the state of Georgia, Section 2(a)(iii) of the Confidentiality, Non-Solicitation and Non-Competition Agreement will not apply to you.

~~THE "FRANCHISEE":~~ ~~"YOU":~~

THE "FRANCHISEE": "YOU":

By:

Name:

Its:

Date:

Name:

Date:

EXHIBIT I TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATING MANUAL

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		<u>per Section</u>
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EXHIBIT J TO THE DISCLOSURE DOCUMENT

LIST OF JUST LOVE COFFEE & CAFÉ FRANCHISEES

**LIST OF JUST LOVE® FRANCHISEES
AS OF DECEMBER 31, ~~2023~~2024**

ALABAMA	
Well Run, LLC Travis and Dawn Duehring 2317 S Memorial Parkway, Suite 106 Huntsville, AL 35801 (256) 361-5771	Alex Roberts & Jack Roberts 2531 University Blvd., #101 Tuscaloosa, AL 35401 (615) 482-4223
Well Run, LLC Travis and Dawn Duehring 181 Hughes Road, Suite 14 Madison, AL 35758 (256) 361-5771	<u>Well Run, LLC</u> <u>Travis and Dawn Duehring</u> <u>7900 Bailey Cove Road, Suite V</u> <u>Huntsville, AL 35802</u> <u>(256) 489-1223</u>

ARI ONA	
The Grind East Valley, LLC Mitch and Shoshanna Korrub 3745 S. Power Road Mesa, AZ 85212 (480) 340-4833	

COLO	RADO <u>COLORADO</u>
Just Love Coffee, A Mile High, LLC Greg and Nancy Hall 12652 W Ken Caryl Avenue A Lakewood, CO 80127 (303) 808-3838	The Mesha Group, LLC Elde's LLC Michele Draper <u>Cynthia Richards</u> 140 E. Cheyenne Road, Suite 100 <u>1335 West</u> <u>Elizabeth, Suite #140</u> Colorado Springs, CO 80906 <u>Fort Collins, CO</u> <u>80521</u> (707) 301-2192 <u>(970) 699-4051</u>

FLO	RIDA <u>FLORIDA</u>
Marfell Café, LLC Marisa Ferrio 2020 West Brandon Blvd, #105 Brandon, FL 33511 (610) 608-9350	2K <u>Martir</u> Coffee Orlando 1, LLC Chris Johnson <u>Ed Zausch, Chris Martir, Jeannette</u> <u>Martir</u> 1615 East Highway 50, Suite 400 Clermont, FL 34711 (407) 718-9808

GEO	RGI <u>GEORGIA</u>

<p>Rishik, LLC Minej Patel and Mona Patel 1 Godley Station Blvd, Suite A102 Pooler, GA 31322 (912) 273-7256</p>	<p>Crockett & Harp, LLC Austin Crockett, Casey and <u>Harp</u>, Emily Harp 1733 Gornto Road Valdosta, GA 31601 (229) 460-2001 (Austin) (229) 292-4442 (Emily)</p>
<p>Cali Russo Group, LLC Amanda Singer 1110 Hammond Drive, Suite 10 Sandy Springs, GA 30328 (678) 464-6937</p>	<p><u>The Brookman Group, LLC Glennis Tillman</u> <u>1851 Market Street, Suite H104 Douglasville, GA 30135; 404-944-6093</u></p>

<p>INDI <u>ANA INDIANA</u></p>	
<p>PERCS, LLC Erika and Peter Steele 12525 Old Meridian Street, Suite 100 Carmel, IN 46032 (281) 948-5601</p>	

<p>KENT <u>UCKY KENTUCKY</u></p>	
<p>Give It Away Craft, LLC Don Sherman II and Don Sherman III 1640 Scottsville Rd, Suite 400 Bowling Green, KY 42103 (270) 791-9068</p>	<p>Haykas Properties, LLC Bill and Sandy Adams 636 Chestnut Street Berea, KY 40403 (859) 314-7878</p>

<p>MIC <u>HIGAN MICHIGAN</u></p>	
<p>Mioalb, LLC <u>Olive Tree Holdings Inc.</u> Olsi Kapoli 49453 Van Dyke Avenue Shelby Charter Township, MI 48317 (313) 348-2044</p>	

<p><u>MINNESOTA</u></p>	
<p><u>Harthlund Corp.</u> <u>Christine and George Lundy 11611 Theater Drive N. Champlin, MN 55316</u> (612) 247-1284</p>	

<p>MISS <u>OURI MISSOURI</u></p>	
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SniktaW Holding Group, Inc. Billy Watkins III 5414 Clark Lane, Suite 100 Columbia, MO 65202 (573) 881-5436	SniktaW Holding Group, Inc. Billy Watkins III 2101 W. Broadway, Suite 104 Columbia, MO 65203 (573) 881-5436
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MISSI SSIPPI <u>MISSISSIPPI</u>	
Jackson Team Enterprise, LLC Brent Jackson 1600 Gloster Street Tupelo, MS 38804 (901) 282-9782	

NEBR ASKA <u>NEBRASKA</u>	
Service Drug Drew and Brittany Petersen 302 Main Street Chadron, NE 69337 (308) 432-2400	<u>Acacia, Inc.</u> <u>Susan and Mike Norris</u> <u>413 West Locust Avenue</u> <u>Plainview, NE 68769</u> <u>(402) 992-2535</u>

NEW J ERSEY <u>NEW JERSEY</u>	
Tender Loving Coffee, LLC Scott Lentini 249 Broad Street Matawan, NJ 07747 (732) 241-3269	

NORTH CAROLINA	
Clemons Prime Group (CPG) Victoria and John Clemons 2723 Freedom Parkway Drive Fayetteville, NC 28314 (719) 761-0728	Downtown Pembroke Ventures, LLC Thomas Investment Partners, Mickey Locklear, Aaron Thomas, and Jarette Sampson 64 Union Chapel Road Pembroke, NC 28372 (910) 528-4243

TENNESSEE	
Crew Holdings Rob Webb 7010 Executive Center Drive, Unit 106 Brentwood, TN 37027 (615) 767-4188	Cardinal Holdings of Tennessee, LLC Stephen and Melanie Colson 1528 Demonbreun Street Nashville, TN 37203 (615) 594-9954

<p>Quan Unlimited, LLC Keith Bulluck 4031 Aspen Grove Drive Franklin, TN 37067 615-618-1375</p>	<p>LGLP, LLC Frank Snodgrass 4816 Main Street Spring Hill, TN 37174 (615) 614-1780</p>
<p>JLC Management, LLC Rob Webb 7216 Nolensville Road Nolensville, TN 37135 (615) 767-4188</p>	<p>JLC Management, LLC Rob Webb 2863 Old Fort, Suite F Murfreesboro, TN 37128 (615) 767-4188</p>
<p>Just Love Fountains, LLC Sherri DaSilva, Scott Graby 1440 Medical Center Parkway, Suite A Murfreesboro, TN 37129 (615) 890-4651</p>	<p>Just Love Coffee Café #1029, LLC <u>JLC Management, LLC Rob Webb</u> Tracy Vitela, Annette Vitela-Harman and Mike Harman 2863 Old Fort, Suite F Harman 63 Belinda Parkway Mt Juliet Murfreesboro, TN 37122 37128 (615) 785-7515767-4188</p>
<p><u>Isaac Brothers, LLC</u> <u>Ehab and Michael Isaac</u> <u>810 Gale Lane, #104</u> <u>Nashville, TN 37204 (615)</u> <u>945-0057</u></p>	<p><u>Just Love Coffee Café #1029, LLC</u> <u>Tracy Vitela, Annette Vitela-Harman and Mike Harman</u> <u>63 Belinda Parkway</u> <u>Mt Juliet, TN 37122</u> <u>(615) 785-7515</u></p>
<p>JLCSC, LLC <u>PIE Hospitality Group</u> Kelly McDaniel Brad Emendorfer 117 Saundersville Rd, #101-2181 Parker Street NE Hendersonville, TN 37075 Cleveland, TN 37311 (615) 335-2374 (865) 806-7125</p>	<p>JLC Smyrna, LLC Akbar Arab 1370 Hazelwood Drive Smyrna, TN 37167 (615) 394-4196</p>
<p>Isaac Brothers, LLC <u>Marathon Nashville Coffee, LLC</u> Ehab and Michael Isaac Kevin Bauerle, Tracy Vitela, Annette Vitela, Mike Harman, Jason Franke and Andrew Ellis 1200 Clinton St., #25 810 Gale Lane, #104 Nashville, TN 37204 37203 (615) 945-0057756-5117</p>	<p>Randal Dickson JLC, Inc. Paul Patel 702 E College St. Dickson, TN 37055 (615) 473-5967</p>
<p>PIE Hospitality Group <u>MTSU Coffee, LLC</u> Brad Emendorfer Tracy Vitela, Annette Vitela, Kevin Bauerle, 2181 Parker Street NE Michael Harman Cleveland, TN 37311 1768 MTSU Blvd. Student Union Building Murfreesboro, TN 37132 (865) 806-7125615) 898-2675</p>	<p>JLC Partners, LLC Phil Lawson 1710 Cumberland Avenue Knoxville, TN 37916 (865) 474-1114</p>

<p>Marathon Nashville Coffee, LLC Randal Ashland City JLC, Inc. Kevin Bauerle, Tracy Vitela, Annette Vitela, Mike Paul Patel Harman, Jason Franke and Andrew Ellis Old Hydes Ferry Pike 1200 Clinton St., #25 Nashville Ashland City, TN 37203 37015</p>	<p>MK Doughboys, LLC Ken Wilkes & Kyle Wilkes 7216 Nolensville Road Nolensville, TN 37135</p>
<p>(615) 756-5117 473-5967</p>	<p>(256) 489-1223</p>
<p>JLC Partners, LLC Phil Lawson 1120 Franck Street, Suite 101 Alcoa, TN 37701 (865) 268-5285</p>	

TE XASTEXAS	
<p>6talents, LLC Chad and Marie Talley 1013 W University Blvd, Ste 195 Georgetown, TX 78628 (284) 210-6358</p>	<p>Hamilton Brew, LLC Tamara and Jon Hamilton 13727 Sunset Canyon, Ste 400 Tomball, TX 77377 (832) 473-7164</p>
<p>Way2Be, Inc. Lee and Crystal Garcia 7219 Fairmont Parkway, Suite 145 Pasadena, TX 77505 (713) 269-7405</p>	<p>TAMEAP, LLC Elvis Harvey and Tina Patel 9749 North Freeway Keller, TX 76177 (682) 255-5373</p>
<p>3TScoffee, LLC John Marlin 1020 Mayfield Road, Suite 600 Grand Prairie, TX 75052 (972) 639-3303</p>	<p>Wiebe Coffee, LLC Johnny & Beverly Wiebe 3565 NE Loop 286, Unit 102 Paris, TX 75460; 903-495-4432</p>

UTAH	
<p>MDX-ME Ventures, LLC Mark Evans and Angie Maddox 2944 West 4000 South Street West Haven, UT 84401 (435) 553-2347</p>	

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JSK Holdings 10, LLC Jeff Korneli 689 Fond Du Lac Avenue Fond Du Lac, WI 54935 (920) 238-1260	Just Love Coffee Café Neillsville, LLC Mark and Lynda Lisenby 216 Sunset Place Neillsville, WI 54456 (612) 760-0565
BHB Leigh Investments, LLC Mario and Becky Balistreri 570 Junction Road Madison, WI 53717 (608) 239-4634	

**FRANCHISEES THAT HAVE SIGNED FRANCHISE AGREEMENTS
 BUT ARE NOT YET OPEN
 AS OF DECEMBER 31, ~~2023~~2024**

ALA AMA	
Well Run, LLC Travis and Dawn Duehring 7900 Bailey Cove Road, Suite V Huntsville, AL 35802 (256) 361-5771	

ARI ONA	
The Grind East Valley, LLC Mitch and Shoshana Korrub 7365 S. Power Rd Queen Creek, AZ 85142 (480) 340-4833	Cindy Meier TBD in Marana, AZ (712) 204-4838

COLORADO	
The Mesha Group Michele Draper TBD in Colorado Springs, CO (707) 301-2192	The Mesha Group Michele Draper TBD in Colorado Springs, CO (707) 301_-2192
Elde's, LLC 1335 West Elizabeth, Suite 140 Fort Collins, CO 80521 (970) 232-8631	

GEO	RGI <u>GEORGIA</u>	
<p>Brookman & Associates, LLC Glennis Tillman 1851 Market Street, #104-105 Douglasville, GA 30135 (404) 944-6093</p>		<p>Catalyst Coffee Corporation Gareth and Amy Whitehurst 608 Towne Park Loop Rincon, GA 31326 (678) 435-6665</p>
<p>Tifton North Café, LLC John Bowen and Michael Bowen 2202 US Highway 41 North Tifton, GA 31794 (229) 396-4101</p>	<p>D & L Griffin Enterprise, LLC C La To ya Griffin , De Wa yne Griffin and Trenton Bel l TB D in Alp har etta , GA (309) 287- 4857</p>	<p><u>Catalyst Coffee Corporation Gareth and Amy Whitehurst</u> <u>608 Towne Park Loop</u> <u>Rincon, GA 31326</u> <u>(678) 435-6665</u></p>

INDIANA	
<p>PERCS, LLC Erika and Peter Steele TBD in Carmel, IN (832) 385-9232</p>	

KENTUCKY	
<p>Give It Away Craft, LLC John Ripy Don Sherman II and Don Sherman III <u>94</u> <u>Montgomery Way, Suite A</u> TBD Bowling Green, KY <u>Danville, KY</u> (270) 791-9068 <u>(502) 517-9144</u></p>	

MINNESOTA	
<p>Harthlund Corp. Christine and George Lundy 11611 Theater Drive N. Champlin, MN 55316 (612) 247-1284</p>	<p>RoRoPure, LLC Sadaf & Ali Kashef Asgari TBD in Woodbury, MN (651) 604-7031</p>
<p>SKB Enterprises, LLC Sonja Berry TBD in Brighton, MN (517) 204-4317</p>	

MINNESOTA	
<p><u>RoRoPure, LLC</u> <u>Sadaf & Ali Kashef-Asgari</u> <u>TBD in Woodbury, MN (651)</u> <u>604-7031</u></p>	<p><u>Sonja Berry</u> <u>TBD in Brighton, MN</u> <u>(517) 204-4317</u></p>

MISSISSIPPI	
<p>Big Play Coffee, LLC Ray Wooldridge and Brandon Wooldridge 1830 Beach Blvd Biloxi, MS 39531 (228) 806-1393</p>	

MISSISSIPPI	
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<u>Big Play Coffee, LLC</u> <u>Ray Wooldridge and Brandon Wooldridge</u> <u>1830 Beach Blvd</u> <u>Biloxi, MS 39531</u> <u>(228) 806-1393</u>	
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NEBRASKA	
Acacia, Inc. Susan and Mike Norris 413 West Locust Avenue Plainview, NE 68769 402-992-2535	

NEVADA	
JC Consulting Group, LLC Joanna Cullom and Christina David TBD in Las Vegas, NV (510) 409-3310	JC Consulting Group, LLC Joanna Cullom and Christina David TBD in Las Vegas, NV (510) 409-3310

NEW JERSEY	
Tender Loving Coffee, LLC Scott Lentini TBD in Matawan, NJ (732) 241-3269	

NORTH CAROLINA	
Ambriz Investment Group, LLC Christina & Jesus Ambriz and Eugenio Hernandez TBD in Smithfield, NC (919) 649-3159	Daybreak Inspiration, LLC Denise Gracie TBD in Morrisville, NC (919) 244-0649

OH IO	
Chloe's Cup Ron and Cynthia Mosby 9894 Colerain Avenue Cincinnati, OH 45251 (513) 227-2416	

SOUTH CAROLINA	
Gray Kat JLC, LLC Kathryn and Gray Ives TBD in Charleston, SC (843) 568-8792	

<u>SOUTH CAROLINA</u>	
<u>Gray-Kat JLC, LLC</u>	
<u>Kathryn and Gray Ives</u> <u>TBD in Charleston, SC</u> <u>(843) 568-8792</u>	

TENN <u>TENNESSEE</u>	ES SEE
Brandon Business Enterprises, LLC Mike Brandon and Peggy Brandon 67 East 4th Street Chattanooga, TN 37403 (423) 650-8305	JLCSC, LLC Kelly McDaniel Savannah Marketplace Gallatin, TN (615) 335-2374
LGLP, LLC Frank Snodgrass TBD in Franklin, TN (615) 516-3343	Randal Ashland City JLC, Inc <u>OKT Enterprises, LLC</u> Paul Patel <u>Quinton and Katterra Thompson</u> Old Hydes Ferry Pike <u>2041 Madison Avenue,</u> <u>Suite 104</u> Ashland City, TN 37015 <u>Memphis, TN 38104</u> (615) 473-5967 <u>(901) 288-5584</u>
QKT Enterprises, LLC <u>Northlake Coffee, LLC</u> Quinton and Katterra Thompson <u>Tracy Vitela,</u> <u>Annette Vitela, Kevin Bauerle, and</u> 2041 Madison Avenue, Suite 104 <u>Michael</u> <u>Harman</u> Memphis, TN 38104 <u>5570 Old Hickory Blvd</u> (901) 288-5584 <u>Hermitage, TN 37067</u>	

TE	XA <u>TEXAS</u>
Tanzy Development, LLC John Marlin 1020 Mayfield <u>1300 South Bowen</u> Road, Suite 600-160 Grand Prairie <u>Arlington, TX 75052</u> <u>76013</u> (972) 897 -2924	SATXJLC Josh Robertson and Erica Robertson 7023 Stonewall Hill San Antonio, TX 78256 (210) 381-8184
Wiebe Coffee, LLC Johnny and Beverly Wiebe 3565 NE <u>Northeast</u> Loop 286 Paris, TX 75460 (903) 495-4432	SATXJLC Josh Robertson and Erica Robertson 6010 UTSA Blvd., Suite 209 San Antonio, TX 78249 (210) 381-8184

UTAH	
<p>MDX-EV Ventures, LLC Mark Evans and Angie Maddox 2944 West, 4000 South Street West Haven, UT 84401 (801) 358-5371</p>	<p>CSJL Corp Cody and Sheena Cook TBD in American Fork, UT (801) 376-0400</p>

**LIST OF JUST LOVE COFFEE & CAFÉ SHOPS - COMPANY OWNED LOCATIONS
AS OF DECEMBER 31, ~~2023~~2024**

TENNESSEE	
<p>Webbs Refreshments, Inc. (Murfreesboro East) Rob Webb 129 MTCS Drive Murfreesboro, TN 37129 (615) 760-5347</p>	<p><u>-Just Love Management, LLC (Hendersonville)</u> <u>761 Old Hickory Blvd, Suite 300</u> <u>Brentwood, TN 37027</u> <u>(615) 300-6048</u></p>

**[LIST OF JUST LOVE® COFFEE & CAFÉ SHOPS TRANSFERRED FROM FRANCHISEES TO
NEW OWNERS AS OF DECEMBER 31, 2024](#)**

<u>FLORIDA</u>	
<p><u>2K Coffee Orlando 1, LLC</u> <u>Chris Johnson</u> <u>740 Magenta Drive</u> <u>Ocoee, FL 34761</u> <u>(407) 718-9808</u></p>	
<u>MICHIGAN</u>	
<p><u>Olive Tree Holdings, LLC</u> <u>Olsi Kapoli</u> <u>15260 Yale Drive</u> <u>Clinton Township, MI 48038</u> <u>(586)213-0486</u></p>	
<u>TENNESSEE</u>	
<p><u>JLCSC, LLC</u> <u>Kelly McDaniel</u> <u>117 Saundersville Road, Suite 105</u> <u>Hendersonville, TN 37075</u></p>	

(615) 335-2374	
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**LIST OF JUST LOVE® COFFEE & CAFÉ SHOPS THAT WERE TERMINATED, CANCELED,
NOT RENEWED, OR CEASED OPERATIONS FOR OTHER REASONS AS OF DECEMBER
31, 2024**

<u>ARIZONA</u>	
<u>The Grind East Valley, LLC</u> <u>Mesa, AZ</u> <u>480-340-4833</u>	
<u>COLORADO</u>	
<u>The Mesha Group, LLC</u> <u>Colorado Sprints, CO</u> <u>707-301-2192</u>	
<u>NORTH CAROLINA</u>	
<u>Downtown Pembroke Ventures, LLC</u> <u>Pembroke, NC</u> <u>910-528-4243</u>	
<u>TENNESSEE</u>	
<u>Brandon Business Enterprises, LLC</u> <u>Chattanooga, TN</u> <u>423-650-8305</u>	

EXHIBIT **LK** TO THE DISCLOSURE DOCUMENT

**LIST OF
STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

California	<p>California Commissioner of the Department of Business Oversight Financial Protection and Innovation Department of Financial Protection and Innovation Los Angeles Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 Sacramento 1515 K Street, South Suite 200 Sacramento, California 95813-4052</p> <p>San Diego 1350 Front Street San Diego, California 92101</p> <p>San Francisco One Sansome Street, Suite 600 San Francisco, California 94104 (866) 275-2677 (Toll Free) www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov</p>	<p>Commissioner of the Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834</p>
Florida	<p>Consumer Protection Division Antitrust and Franchise Unit Florida Department of Attorney General 670 G. Mennen Williams Building 525 West. Ottawa Lansing, Florida 48933</p>	<p>Scott Phillip Weber, P.A. 3709 W. McKay Avenue Tampa, Florida 33609</p>
Hawaii	<p>Business Registration Division Securities Compliance Branch Department of Commerce and Consumer Affairs P.O. Box 40 Honolulu, Hawaii 96810</p>	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813</p>
Illinois	<p>Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706</p>	
Indiana	<p>Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 W. Washington Street Indianapolis, Indiana 46204</p>	<p>Administrative Office of the Secretary of State 201 State House Indianapolis, Indiana 46204</p>
Maryland	<p>Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021</p>	<p>Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021</p>

Minnesota	Minnesota Department of Commerce Commissioner of Commerce 85 7th Place, Suite 280 St. Paul, Minnesota 55101-3165	
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, New York 10271	Secretary of State State of New York 99 Washington Avenue Albany, New York 12231
STATE	AGENCY	PROCESS, IF DIFFERENT
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, North Dakota 58505	
Oregon	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building , Oregon 97310	
<u>STATE</u>	<u>AGENCY</u>	<u>PROCESS, IF DIFFERENT</u>
	<u>Labor and Industries Building</u> <u>, Oregon 97310</u>	
Rhode Island	Division of Securities 1511 Pontiac Avenue John O. Pastore Complex-Bldg. 69-1 Cranston, RI 02920	
South Dakota	Department of Labor & Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501	
Tennessee		Rob Webb 129 MTCS Dr. Murfreesboro, TN 37129-1525
Virginia	Ronald W. Thomas, Administrator State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219	Clerk State Corporation Commission 1300 East Main Street Richmond, Virginia 23219
Washington	Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501	

Wisconsin	Securities and Franchise Registration Division of Securities Fourth Floor 345 W. Washington Avenue Madison, Wisconsin 53703	
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EXHIBIT ML TO THE DISCLOSURE DOCUMENT

FORMS OF FRANCHISE COMPLIANCE CERTIFICATE

FORM OF FRANCHISE COMPLIANCE CERTIFICATION (NASAA COMPLIANT)

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Did you sign a receipt for the Franchise Disclosure Document (“**Disclosure Document**”) indicating the date you received it?

Yes _____ No _____

2. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Just Love Coffee & Café, other than discussions concerning Item 19, Financial Performance Representations in our FDD?

Yes _____ No _____

3. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Just Love Coffee & Café, other than discussions concerning Item 19, Financial Performance Representations in our FDD?

Yes _____ No _____

4. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

FRANCHISEE APPLICANT:

Date

FRANCHISEE APPLICANT:

Date

EXHIBIT NM TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES AND RECEIPTS

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii,

Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Indiana	August 23, 2024 Pending
Illinois	Pending
Maryland	Pending
Michigan	September 3, 2024 Pending
Minnesota	Pending
South Dakota	August 23, 2024 Pending
Virginia	Pending
Wisconsin	August 23, 2024 Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If JUST LOVE FRANCHISE GROUP, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If JUST LOVE FRANCHISE GROUP, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and in the state agency listed on Exhibit L.

Our franchise sellers on this franchise sale are: Kevin Bauerle, Alan Thompson, Mickey Skelton and Eric Wheeler, Just Love Franchise Group, LLC, 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027, (615) 496-4836.

JUST LOVE FRANCHISE GROUP, LLC authorizes the respective state agencies identified on Exhibit K to receive service of process for it in the particular state.

Issuance Date: June 6~~26~~, 2024~~2025~~

I received a disclosure document dated June 6~~26~~, 2024~~2025~~, that included the following Exhibits:

Exhibit A	State Specific Addenda and Exhibits	Exhibit H	Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit B	Financial Statements	Exhibit I	Table of Contents of Operating Manual
Exhibit C	Form of Franchise Agreement	Exhibit J	List of Just Love® Franchisees
Exhibit D	Form of Area Development Agreement	Exhibit K	List of State Agencies/Agents for Service of Process
Exhibit E	Form of Conditional Assignment of Telephone Numbers and Listings	Exhibit L	Franchise Compliance Certification Forms
Exhibit F	Form of General Release (Successor Franchise, Assignment/Transfer/Cure)	Exhibit M	State Effective Dates and Receipts
Exhibit G	Form of Electronic Funds Transfer Agreement		

~~Exhibit A State Specific Addenda and Exhibits Exhibit H Confidentiality, Non-Solicitation and Non-Competition Agreement~~
~~Exhibit B Financial Statements Competition Agreement~~
~~Exhibit C Form of Franchise Agreement Exhibit I Table of Contents of Operating Manual~~
~~Exhibit D Form of Area Development Agreement Exhibit J List of Just Love® Franchisees~~
~~Exhibit E Form of Conditional Assignment of Telephone Numbers and Listings Exhibit K List of Just Love® Franchisees Who Have Left the System~~
~~Exhibit F Form of General Release (Successor Franchise, Assignment/Transfer/Cure) Exhibit L List of State Agencies/Agents for Service of Process~~
~~Exhibit G Form of Electronic Funds Transfer Agreement Exhibit M Franchise Compliance Certification Forms~~
~~Exhibit N State Effective Dates and Receipts~~

PROSPECTIVE FRANCHISEE:

If a Business Entity:	If an Individual:
_____	_____
	Signature: _____

~~If a Business Entity: _____~~
~~If an Individual: _____~~
~~Signature: _____~~

_____	_____	Name Printed:
NAME OF ENTITY		
_____	_____	
(Signature):	By	
Title: _____		
Date FDD Received: _____	Date FDD Received: _____	

PLEASE SIGN, DATE AND RETURN THIS PAGE to Just Love Franchise Group, LLC, 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027; you may scan the completed receipt and send via email: eric.wheeler@justlovecorp.com.

RECEIPT

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If JUST LOVE FRANCHISE GROUP, LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Connecticut and Michigan require that we give you this Disclosure Document at least 10 business

days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If JUST LOVE FRANCHISE GROUP, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and in the state agency listed on Exhibit L.

Our franchise sellers on this franchise sale are: Kevin Bauerle, Alan Thompson, Mickey Skelton and Eric Wheeler, Just Love Franchise Group, LLC, 761 Old Hickory Blvd, Suite 300, Brentwood, Tennessee 37027, (615) 496-4836.

JUST LOVE FRANCHISE GROUP, LLC authorizes the respective state agencies identified on Exhibit K to receive service of process for it in the particular state.

Issuance Date: June ~~6/26, 2024~~ 2025

I received a disclosure document dated June ~~6/26, 2024~~ 2025, that included the following Exhibits:

Exhibit A	State Specific Addenda and Exhibits	Exhibit H	Confidentiality, Non-Solicitation and Non-Competition Agreement
Exhibit B	Financial Statements	Exhibit I	Table of Contents of Operating Manual
Exhibit C	Form of Franchise Agreement	Exhibit J	List of Just Love® Franchisees
Exhibit D	Form of Area Development Agreement	Exhibit K	List of State Agencies/Agents for Service of Process
Exhibit E	Form of Conditional Assignment of Telephone Numbers and Listings	Exhibit L	Franchise Compliance Certification Forms
Exhibit F	Form of General Release (Successor Franchise, Assignment/Transfer/Cure)	Exhibit M	State Effective Dates and Receipts
Exhibit G	Form of Electronic Funds Transfer Agreement		

~~Exhibit A State Specific Addenda and Exhibits Exhibit H Confidentiality, Non-Solicitation and Non-Competition Agreement~~

~~Exhibit B Financial Statements Exhibit I Table of Contents of Operating Manual~~

~~Exhibit C Form of Franchise Agreement Exhibit J List of Just Love® Franchisees~~

~~Exhibit D Form of Area Development Agreement Exhibit K List of Just Love® Franchisees Who Have Left the System~~

~~Exhibit E Form of Conditional Assignment of Telephone Numbers and Listings Exhibit L List of State Agencies/Agents for Service of Process~~

~~Exhibit F Form of General Release (Successor Franchise, Assignment/Transfer/Cure) Exhibit M Franchise Compliance Certification Forms~~

~~Exhibit G Form of Electronic Funds Transfer Agreement Exhibit N State Effective Dates and Receipts~~

PROSPECTIVE FRANCHISEE:

If a Business Entity:

If an Individual:

Signature:

~~If a Business Entity:~~

~~If an Individual:~~

~~Signature:~~

NAME OF ENTITY

Name Printed:

By (Signature):

Name Printed:

Date FDD Received:

Date FDD Received: